

Associate Broker Agreement

This ASSOCIATE BROKER AGREEMENT (“Agreement”) is effective as of _____ (the “Effective Date”, between (“Broker”) _____ and ACCLAIM FUNDING, LLC. (“AF”) (collectively the “Parties” and each a “Party”).

This Agreement sets forth the terms and conditions under which Broker may submit Loan Packages to AF for its review and funding.

1. Loan Package Origination and Assignment

(a) Prior to submitting any Loan Package to AF, Broker first must be approved by AF for, and satisfy all applicable eligibility requirements set forth in this Agreement and the Guidelines (as defined below) related to the origination and submission of one or both of the following types of loans:

(i) Business Purpose Loans – Loan Packages related to Mortgage Loans that are for a business purpose (as such term is defined in Regulation Z and its official commentary, 12 C.F.R. 1026).

(b) Broker will, at Broker’s sole expense, perform the services listed in Exhibit A hereto with regard to Loan Packages related to Business Purpose Loans. In addition, Broker shall perform such other services as may be required by AF or agreed upon by Broker and AF from time to time.

(c) Broker shall submit all Loan Packages and related information through an account established by Broker with AF on AF’s website, www.acclaimfunding.com (the “Website”).

(d) In performing its services hereunder, Broker shall not “steer” a consumer to a loan product offering less favorable terms in order to increase either Broker’s compensation or any loan originator’s compensation.

(e) Any individual who assists Broker in originating and processing a Loan Package must be a W-2 employee, either full time or part time, of Broker, and provide the assistance as a W-2 employee of Broker.

(f) Unless otherwise agreed by the Parties in an addendum to this Agreement, none of the Loan Packages may relate to a reverse Associate transaction (as such term is defined in Regulation Z, 12 C.F.R. 1026).

(g) By submitting a Loan Package to AF, Broker transfers and assigns all right, title and interest in and to the Loan Package and all documents and other information related thereto to AF.

2. Guidelines

In connection with the entry into this Agreement, and from time to time hereafter, AF may provide Broker with manuals, correspondence, statements, bulletins, underwriting standards, loan product descriptions, loan program requirements, policies, procedures, guidelines, memoranda, other materials and all amendments thereto, as may from time to time be prescribed by AF that address the requirements of AF with regard to Loan Packages (collectively, the “Guidelines”). The Guidelines are effective as of the date specified, or if not specified, as of the date of issuance. Upon issuance, the Guidelines are incorporated herein by this reference and made a part hereof in all respects. AF may modify the Guidelines at any time in its sole discretion. In, the Guidelines address matters such as the types of loans for which AF will accept Loan Packages, the states in which AF will make loans, and the pricing and other terms and conditions for loans made by AF.

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3. Limitations Regarding AF Name, Marks and Related Matters

(a) Broker has no authority to, and shall not, use, publish or distribute in any manner any type of advertising material, letter, stationery, newsletter, form, disclosure, document or other material that contains any name, trade mark, service mark or logo of AF (collectively, “Promotional Materials”), except as may be expressly authorized in writing by AF

(b) The right to use Promotional Materials shall expire upon the expiration or termination of this Agreement or upon written notice from AF. AF retains all rights, ownership, and interest in the Promotional Materials, and in any copyright, trademark, or other intellectual property in the Promotional Materials. In addition, AF may at any time require Broker to cease using the Promotional Materials. To the extent AF provides notice thereof to Broker, Broker shall promptly (but in any case, within two (2) business days) remove all Promotional Materials from Broker’s website and destroy or return to AF all Promotional Materials in Broker’s possession and shall provide a written certification to AF that all Promotional Materials have been so removed or destroyed.

(c) Broker has no authority to, and shall not, make any commitment or agreement on behalf of AF with any applicant or other third party, or make any representation to any applicant or other third party on behalf of AF, other than as is expressly authorized in writing by AF.

4. Licensing and Examinations

(a) Broker and each loan originator of Broker must, at all times, hold in good standing all licenses, registrations, approvals or exemptions that are legally necessary for Broker and each loan originator to originate and process Loan Packages as contemplated by this Agreement, and must promptly submit satisfactory evidence of the foregoing upon AF’s request. Additionally, Broker shall provide AF with such other information regarding Broker and each loan originator as AF may reasonably request. Broker shall promptly notify AF at the email address(es) provided in this Agreement upon learning, or having reason to believe, (i) that any information previously provided to AF with regard to any Loan Package is not true, correct or complete, (ii) that any state or federal governmental agency has made an adverse finding, or taken an adverse action, with regard to Broker (or any of its assets, owners, directors, officers, members, employees or agents) or any loan originator, (iii) of any dispute involving an applicant, or any claim or threatened claim by an applicant, with respect to the services performed by Broker or any loan originator and the Broker’s action plan for responding to any such dispute or claim (which in no event shall be more than thirty (30) days after notice of the dispute or claim), or (iv) of any inquiry or complaint by a government agency regarding the services performed by Broker or any loan originator in connection with a Loan Package. Broker shall promptly notify AF of any changes that would prohibit Broker from complying with this Agreement.

(b) Broker shall permit AF and its authorized representatives to (i) upon execution of this Agreement, and at any time while this Agreement is in effect, run a comprehensive background check on Broker to determine that Broker's financial, legal, and character qualifications meet the Guidelines and all minimum legal requirements for AF to do business with Broker; (ii) examine all books and records of Broker that pertain to Loan Packages submitted, or to be submitted, to Acclaim Funding, LLC including without limitation permitting AF and its authorized representatives to audit and examine the files regarding Loan Packages, (iii) examine all policies, guides, procedures and plans regarding the origination and processing of Loan Packages and compliance with all Applicable Requirements (as defined below) in connection therewith, and (iv) upon first receiving reasonable notice from AF, observe Broker's facilities and business operations and interview Broker's employees at any time during normal business hours. Broker authorizes AF to investigate Broker, including obtaining credit bureau and other reports and conducting reference checks, and to share information with others about its experiences with Broker.

5. Compliance. At all times during the term of this Agreement:

(a) Broker shall submit Loan Packages in accordance with (i) all applicable local, state and federal laws, regulations, and/or ordinances, including but not limited to licensing and fair and responsible lending laws (ii) this Agreement and the Guidelines, and (iii) customary, prudent industry Mortgage Loan origination practices and procedures (collectively, the "Applicable Requirements"). Without limiting the foregoing, Broker shall keep all information regarding applicants confidential in accordance with Applicable Requirements, including without limitation applicable privacy laws and regulations.

(b) Broker will maintain policies, procedures, internal controls and training processes regarding the origination of Loan Packages that are sufficient to provide for the compliance by Broker with the Applicable Requirements.

(c) Broker will provide all applicants with timely state and federally required disclosures.

(d) Broker will retain records as required by applicable laws.

6. Loan Package Review, Mortgage Loan Closing, and Related Matters:

AF shall perform all underwriting activities associated with the Loan Package. All decisions regarding Loan Packages shall be made in the sole and absolute discretion of AF. Broker shall fully cooperate with and assist AF in obtaining any additional information and documentation that AF deems necessary in order to underwrite and close any Loan Package.

Unless AF and Broker agree otherwise in writing, Mortgage Loans will close in the name of AF.

7. Broker Compensation

If a Loan Package originated by Broker, and submitted to AF, in accordance with this Agreement is approved, funded and closed by AF, and the resulting in a Mortgage loan ("Mortgage Loan") is not rescinded, Broker shall be compensated. Except for third party fees in connection with a Loan Package that may be imposed on the applicant as provided in this Agreement or the Guidelines, Broker is responsible for all costs and expenses associated with the conduct of Broker's business. Broker agrees that it shall comply at all times with any and all state, federal, and local laws, regulations and ordinances related to compensation of its loan originators, including but not limited to those defined by Regulation Z.

(a) Early Payment Default.

Should Broker submit a Mortgage Loan where the Borrower fails to make its first regularly-scheduled installment payment, the Broker shall promptly refund the compensation received in connection with the Mortgage Loan within 30 days' notice from AF's written request. Failure to do so will result in a halt of future Mortgage Loan submissions and/or Broker Termination.

8. Relationship of Parties

Broker is an independent contractor and shall not represent itself in any manner to be an agent, employee, representative, or partner of AF. Additionally, this Agreement does not, and shall not be deemed to, create a partnership between the Parties. AF does not assume any liability or incur any obligation of Broker by execution of this Agreement. The relationship of the Parties is not exclusive, and nothing herein means that AF has granted Broker any exclusive right or that Broker has granted AF any exclusive right. Broker shall have no authority to sign any documents on behalf of AF, or to bind or obligate AF in any manner whatsoever.

9. Representations, Warranties and Covenants

Broker additionally represents, warrants and covenants that at all times during the term of this Agreement, including but not limited to each date that Broker delivers a Loan Package to AF and on the closing date of each Mortgage Loan: (a) this Agreement constitutes a legal, valid, binding and enforceable obligation of Broker, (b) Broker is operating at arms-length with the borrower and all other parties to the loan transaction, unless otherwise disclosed to AF and approved by AF in writing; (c) there is no pending or threatened litigation, adverse claim or action of any kind or nature that if decided against Broker would have a material adverse effect on Broker's ability to perform its obligations under this Agreement, (d) no party other than Broker or an employee of Broker performed any services in connection with the Loan Package, (e) to the best of Broker's knowledge after commercially reasonable inquiry, the information contained in the Loan Package is true, accurate and complete, (f) to the best of Broker's knowledge after commercially reasonable inquiry, there is no circumstance or condition with respect to the applicant, his or her credit standing, the Loan Package or the underlying property that would (i) cause the existing or intended insurer or guarantor of the Mortgage Loan to regard the loan as not eligible for insurance or guaranty, (ii) cause the Mortgage Loan to become delinquent or (iii) adversely affect the value or marketability of the Mortgage Loan, (g) Broker and its employees have complied with all Applicable Requirements, (h) Broker has a written agreement and compensation plan with all of its loan originators that comply with the Applicable Requirements, (i) Broker possesses and shall maintain fidelity bond coverage and errors and omissions insurance in sufficient amounts for the business conducted by Broker, consistent with all Applicable Requirements, and (j) Broker has not used, and shall not use, the services of any affiliated vendor without first obtaining the prior written consent of AF.

10. Termination

This Agreement may be terminated by either Party with or without cause at any time upon notice to the other Party. If AF terminates this Agreement for cause, or if Broker terminates this Agreement, then AF may in its sole and absolute discretion, but shall have no obligation to, accept or review any Loan Package or close a Mortgage Loan once notice of termination is given. Termination of this Agreement shall not relieve either Party of any liability to the other Party for any damages or other amounts due hereunder, provided that Broker shall not be entitled to the compensation provided for in Section 7 (and the applicable exhibit) with respect to a Loan Package unless all conditions set forth herein regarding payment of the compensation are satisfied. Notwithstanding the foregoing, the termination of this Agreement, by itself, does not give rise to any liability of a Party for damages. The representations and warranties of Broker set forth in this Agreement shall survive any termination of this Agreement.

11. Indemnification; Repurchase

(a) Broker shall indemnify and hold AF harmless from any damage, loss or expense (including attorneys' fees and all costs of investigation, settlement and appeal) arising out of, resulting from or relating to (i) any misrepresentation made by Broker in this Agreement, (ii) any breach of a representation or warranty of Broker, or the non-fulfillment of any covenant, agreement or condition of Broker, contained in this Agreement, (iii) any misrepresentation or fraud in connection with a Loan Package on the part of Broker or the applicant (if Broker knew or should have known that the Loan Package information was untrue), (iv) any misrepresentation or fraud in connection with a Loan Package on the part of any other third party performing services for the Broker on or prior to the date the Loan Package is submitted to AF, (v) any loan that is deemed by AF to be unsaleable due to the acts or omissions of Broker, (vi) any repurchase demand of any third party to which AF sold any Mortgage Loan due to any act or omission of Broker.

(b) In addition, upon the occurrence of any of the events or circumstances enumerated in the preceding paragraph, AF shall have the right, at its option, to require the Broker to purchase any affected Mortgage Loan from Lender, the applicable investor, or other third party. The purchase price shall be equal to the sum of: (i) the amount of the compensation paid by AF to Broker in connection with such loan, (ii) all costs incurred by AF in underwriting, closing, funding or otherwise related to the loan, (iii) the unpaid principal balance of the loan, (iv) all accrued but unpaid interest thereon at the applicable note rate through the date of purchase, (v) any unreimbursed advances, costs or expenses made or incurred by AF in connection with such loan, and (vi) if AF has sold the loan, all other costs incurred by AF in purchasing the loan from the investor or pool.

(c) Broker's obligations under this Section shall be fully applicable regardless of whether AF has underwritten or approved the related Mortgage Loan and regardless of the contents of the Loan Package. Broker acknowledges its understanding that AF disclaims any duty to investigate, verify, authenticate, or confirm any information contained in any Loan Package or Associate file document.

(d) In all actions with third parties in which AF has the right to be indemnified hereunder, AF shall have the complete and exclusive right to determine the conduct and defense of such legal proceeding or investigation with such third party including, without limitation, the right to compromise, settle, defend, or continue any such action.

(e) Broker's obligation to indemnify AF will not be affected by AF's taking any of the following actions with or without notice to Broker: (i) liquidation, repayment, or sale or resale of any Mortgage Loan; (ii) foreclosure of any Mortgage Loan; or (iii) sale or resale of the property securing any Mortgage Loan. Broker agrees to make all required payments under this Section within ten (10) calendar days of AF's demand for payment thereof.

12. Right of Offset

(a) In the event that Broker owes any amount to AF hereunder or under any other agreement, understanding or arrangement between Broker and AF, then AF shall have the right, without notice, to deduct, offset and to appropriate or apply any and all of such amounts from amounts that otherwise would be payable by AF to Broker.

13. Confidentiality and Non-solicitation.

(a) Unless AF provides its prior express written consent to Broker, during the term of this agreement or at any time thereafter, Broker shall not, directly or indirectly, use any Confidential Information (as defined below) in any way, or divulge, disclose or make available or accessible any Confidential Information to any person or entity or any other third party, other than when required to do so in good faith to originate and process a Loan Package as contemplated by this Agreement or when required to do so pursuant to applicable law, a subpoena or other order of a court of competent jurisdiction. Broker shall deliver to AF at the time of the termination of this Agreement, and without retaining any copies, notes or excerpts thereof, all Confidential Information, in any form, that is in Broker's actual or constructive possession or that is subject to Broker's control.

(b) "Confidential Information" means all information respecting the business and activities of AF, or any subsidiary or affiliate of Acclaim Funding, including, without limitation, the terms and provisions of this Agreement, the clients, customers, suppliers, employees, consultants, computer or other files, projects, products, computer disks or other media, financial information, methodologies, know-how, processes, practices, procedures, approaches, projections, forecasts, formats, systems, data gathering methods and/or strategies of AF, or any subsidiary or affiliate of AF. For the avoidance of doubt, "Confidential Information" shall also include any sensitive financial or personally-identifiable information regarding loan applicants or AF customers and borrowers. "Confidential Information" shall not include any (i) information that is or becomes part of the public domain or generally available to the public, other than as a result of a breach of this Section, (ii) information that is or becomes available to Broker on a non-confidential basis from a source other than AF, or (iii) information that Broker demonstrates was independently developed without the use of Confidential Information.

(c) Without limiting the foregoing, Broker agrees to comply with the privacy and safeguarding requirements of the federal Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et seq.) and the applicable regulations and guidelines thereunder with regard to the information of AF that may be subject to such act, regulations and guidelines.

(d) During the term of this Agreement, and for a period of one (1) year thereafter, Broker shall not, directly or indirectly, hire or solicit for employment any AF employee, or any person who was an AF employee within six (6) months prior to any such attempted hiring or solicitation.

(e) Broker expressly acknowledges and agrees that AF's remedy at law for a breach or threatened breach of any of the provisions of this Agreement may be inadequate. In recognition of that fact, in addition to its remedy at law and without posting any bond, AF shall be entitled to, and Broker agrees (if AF establishes that a breach or threatened breach has occurred) not to oppose AF's request for, equitable relief in the form of a temporary restraining order, a temporary or permanent injunction, or any other equitable remedy that may then be available. Nothing herein contained shall be construed as prohibiting AF from pursuing any other remedies available to it for such breach or threatened breach.

14. Arbitration and Related Matters

(a) In the event of any dispute, controversy or claim between the Parties arising out of or relating to any matter set forth in this Agreement, the Parties shall meet (whether in person or by telephone) to discuss an appropriate and reasonable resolution thereof. Efforts to resolve any such dispute, controversy or claim shall be conducted in good faith and with the intent to resolve such matter fairly. If such dispute, controversy or claim cannot be resolved in that manner, it shall be settled exclusively by arbitration to be held in a mutually convenient location in New York, New York, or such other place as the Parties may agree in writing, before a panel of three arbitrators selected as set forth below, which arbitration shall be conducted in accordance with the then existing rules and regulations of the American Arbitration Association, applying the substantive law of New York. Each Party shall select an arbitrator within fifteen (15) days of the date of the notice of such dispute, controversy or claim, and the two arbitrators selected shall then appoint a third arbitrator within thirty (30) days of their appointment. The

determination by a majority of the three arbitrators shall be binding. The arbitrators shall have the broadest discretion permissible under applicable law, including without limitation the right to permit reasonable discovery in accordance with the New York Rules of Civil Procedure, and to entertain pre-hearing and post-hearing motions. In any arbitration proceeding arising under this Agreement, the arbitrators may not change, modify, or alter any express condition, term, or provision hereof, and to that extent the scope of their authority is limited. Final judgment may be entered on the arbitrators' award in any court having jurisdiction over the parties. Notices, petitions, and any other process relating to the arbitration shall be sufficient if served personally or by registered mail, return receipt requested, by overnight courier, or by another method agreed between the Parties.

(b) The losing Party in any arbitration shall pay all costs and expenses (including reasonable attorneys' fees) related to the arbitration that have been incurred by the other Party, provided, however, that if fault is found to exist with regard to both Parties, all such costs and expenses of the Parties shall be apportioned according to fault, as decided by the arbitrators.

(c) Notwithstanding Section 14(a), a Party may seek from any court of competent jurisdiction any provisional remedy, including without limitation a temporary restraining order or a temporary or permanent injunction, as may be necessary to protect any rights or property of the Party pending the award of the arbitrators. If a Party shall bring an action, claim, suit or proceeding against the other Party pursuant to this Section 14(c), the prevailing Party shall be entitled to its costs and expenses, including without limitation its reasonable attorneys' fees and costs.

15. Miscellaneous Provisions

(a) **Scope of Agreement.** This Agreement supersedes all prior agreements or understandings between the Parties, whether oral or written, and contains the entire agreement of the Parties relating to the subject matter hereof and may not be amended except in a writing signed by the Parties. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof at any time shall not be deemed a waiver of such term, covenant or condition at any other time nor shall any waiver of any right herein at any time be deemed a waiver of the same or any other right at any other time. All covenants and agreements herein bind and shall inure to the benefit of the respective successors and permitted assigns of the Parties. This Agreement may not be assigned by either Party without the express prior approval of the other Party, except that AF, without the consent of Broker, may assign this Agreement to an affiliate.

(b) **Choice of Law and Consent to Jurisdiction.** This Agreement shall be governed by the laws of New York (without reference to the choice of law provisions thereunder). In the event of litigation between the Parties regarding or arising from this Agreement, the litigation may be brought only in federal or state court located in the State of New York with exclusive venue in the County of New York, subject to the arbitration agreement contained herein, and the parties hereby waive any objections to jurisdiction or venue of such courts.

(c) Severability & Counterparts. Any decision of a court of competent jurisdiction that invalidates one or more provisions of this Agreement does not invalidate any other provision of this Agreement, and the Parties shall in good faith act to interpret or amend this Agreement so as to reflect the original content of the Parties as set forth herein. This Agreement may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

(d) Notices. Except as otherwise provided herein, all notices and statements to be given under this Agreement at the address(es) provided below.

(e) Cellular Phone Contact Policy. Broker expressly consents to receiving communications—including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system—from AF and its parent companies, subsidiaries, employees, and agents (together, “Affiliates”) at any number Broker has provided or will provide to AF, about any product or services offered by AF and/or its Affiliates. Calls and messages may incur access fees from your mobile services provider. Broker understands that it need not provide this consent as a condition of obtaining goods or services from AF, and that Broker may revoke this consent at any time.

(f) Construction. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires: (a) the captions used in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope or content of this Agreement or any provision hereof, (b) the term “include” or “including” shall mean without limitation by reason of enumeration, and (c) each reference to a “Section” of this Agreement shall include all subsections of such Section. Additionally, this Agreement shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

Acclaim Funding, LLC.

(Broker)

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A

BROKER SERVICES – BUSINESS PURPOSE LOANS

With respect to each Loan Package related to a Business Purpose Loan, in addition to performing the services set forth in the Agreement, Broker's duties shall include:

- 1.) Execute an agreement between Broker and the loan applicant making clear that:
 - a.) Broker is representing the applicant in a loan application process.
 - b.) Broker will be submitting the applicant's sensitive information to lenders in an attempt to secure a Mortgage Loan.
 - c.) Broker may be charging the applicant an origination fee in addition to any lender origination fee for Broker's services. If Broker will be charging any additional fees to the applicant, the agreement must outline the exact amount and purpose of the fees.
- 2.) Educate the applicant thoroughly on the lenders' Mortgage Loan programs, terms and requirements.
- 3.) Obtain and compile the information from the applicant requested by the Website and use to complete a preliminary loan application (the "Preliminary Application") for the applicant on the Website.
- 4.) With the applicant's consent, submit to AF the applicant's Preliminary Application through the Website.
- 5.) Collect and remit to AF the application fee for use by AF to cover the costs of third party services it may utilize during the loan underwriting and approval process. AF, at its sole discretion, may reimburse Broker any unused balance of the application fee if for whatever reason the Mortgage Loan is not funded by AF.
- 6.) Provide to the applicant any Broker or lender disclosures.
- 7.) With the applicant's consent, obtain and compile the information from the applicant requested by the Website and use to complete a long form loan application (the "Long Form Application" and, together with the Preliminary Application for the same loan, the "Loan Application") for the applicant on the Website.
- 8.) Review the completed Long Form Application with the applicant, and submit to AF through the Website, together with all requested supported documentation.
- 9.) Review for completeness and accuracy all documents the applicant provides to AF.
- 10.) Clearly communicate to the applicant the proposed terms of the Mortgage Loan.
- 11.) Coordinate access to the exterior and interior of the property for which the applicant seeks a loan.
- 12.) Maintain regular contact with the applicant, AF and any other vendors or service providers between the submission of the Loan Application and closing, to apprise them of the status of the application and to gather any additional information as needed by AF and others.
- 13.) Coordinate with the applicant to fulfill any requests for data, information or documentation made by AF of the applicant.