

BROKER COMPENSATION ADDENDUM TO BUSINESS PURPOSE BROKER AGREEMENT

This Broker Compensation Addendum ("Addendum") is entered into as of the ____ day of _____, 20____, by and between ACRA LENDING and its affiliates and subsidiaries ("ACRA LENDING") and _____ ("Broker"). This Addendum amends and supplements the Business Purpose Loan Broker Agreement ("Agreement") entered into by and between ACRA LENDING and Broker. Hereafter when read together, the Agreement and this Addendum shall constitute one integrated document.

WHEREAS, the Agreement describes the compensation to be received by Broker and additional representations and warranties from the Broker to ACRA LENDING;

WHEREAS, ACRA LENDING and Broker have agreed upon the terms to be included in this Addendum in the best interest of the parties.

NOW THEREFORE, in consideration of the mutual undertakings and covenants set forth in this Addendum, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. If completed and returned, this Addendum restates and supersedes any and all prior Broker Compensation Addenda previously attached to the Agreement.
2. ACRA LENDING and Broker agree that this Addendum will be effective for all business-purpose mortgage loans registered and assigned an ACRA LENDING loan number on or after the date of this Addendum. ACRA LENDING and Broker agree that the compensation levels specified below shall be effective unless and until amended. Any change to this Addendum will be effective immediately and will remain in effect until changed.
3. ACRA LENDING and Broker agree that the compensation provisions of the Agreement will be supplemented as follows:

a. Compensation paid by the Borrower

Borrower-Paid Compensation is compensation paid by the borrower to Broker from the borrower's own funds. Borrower-Paid Compensation may include seller concessions. Borrower-Paid Compensation is directly negotiated between Broker and borrower and may vary with each application, provided that, once Borrower-Paid Compensation is agreed upon and determined between Broker and borrower, it may not change unless the borrower requests changes to the application then such Borrower-Paid Compensation may be reasonably renegotiated. ACRA LENDING will not be responsible nor a party to any Broker negotiations with borrowers in a Borrower-Paid Broker Compensation transaction.

b. Compensation paid by the Lender (ACRA LENDING)

Lender-Paid Compensation is Broker compensation paid by ACRA LENDING to Broker. When Broker, for a given application, selects Lender-Paid Compensation, upon the funding of a mortgage loan resulting from the application, ACRA LENDING will pay to Broker the product of (i) the Lender-Paid Compensation rate; and (ii) the funded principal amount of the mortgage loan. Broker and ACRA LENDING may adjust lender paid compensation amounts throughout the life cycle of any loan application as agreed upon by both parties.

Broker shall select one of the following "Lender-Paid Compensation" Tiers:

- ☐ Tier: 0.25% ☐ Tier: 0.50 % ☐ Tier: 0.75% ☐ Tier: 1.00% ☐ Tier: 1.25% ☐ Tier: 1.50% ☐ Tier: 1.75%
☐ Tier: 2.00 % ☐ Tier: 2.25% ☐ Tier: 2.50% ☐ Tier: 2.75% ☐ Tier: 3.00% ☐ Select loan by loan

(Note: Please select your Broker Compensation tier carefully, as it must be all inclusive of broker fees, including, but not limited to: origination, processing, application, administration, etc.)

Broker may request a change to its effective Lender-Paid Compensation Rate. If ACRA LENDING agrees to a change to the Lender Compensation Rate as requested by Broker, then ACRA LENDING will issue an amendment hereto (an "Update Form") which will become effective the first business day following the business day ACRA LENDING receives a Broker executed Update Selection Form indicating Broker's newly elected Lender-Compensation Rate.

c. Additional Terms

For all tiers: If a loan is paid in full during the first one hundred and eighty (180) days following its funding date, then Broker shall pay to ACRA LENDING all Lender-Paid Compensation that was paid to Broker by ACRA LENDING with regard to such Mortgage Loan, if any. A payment due from Broker, in accordance with this paragraph, shall be paid to ACRA LENDING by Broker not later than ten (10) days following ACRA LENDING's notice to Broker that such payment is owing.

If one or more of the first four payments due on a Mortgage Loan is paid more than sixty days after the date on which such payment was due, then Broker shall pay to ACRA LENDING all the Lender Paid Compensation that was paid to Broker by ACRA LENDING with regard to such Mortgage Loan, if any. A payment due from Broker, in accordance with this paragraph, shall be paid to ACRA LENDING by Broker not later than ten (10) days following ACRA LENDING's notice to Broker that such payment is owing.

ACRA LENDING is hereby authorized, at any time and without presentment, demand, protest or other notice of any kind to Broker or to any other person, any such notice being expressly waived, to set off from any amounts due Broker from ACRA LENDING, any and all amounts due ACRA LENDING from Broker. This remedy is in addition to any other remedy ACRA LENDING may have at law or equity.

With the submission of this agreement and no later than ninety days after the end of Broker's fiscal year, Broker shall deliver financial statements to ACRA LENDING, which will be prepared in accordance with generally accepted accounting principles, and either be audited by a certified public accountant, or which will be executed by the Broker's President, Controller, Managing Member, General Partner or Sole Proprietor, and which will include both a balance sheet and an income statement for the fiscal year most recently ended; upon ACRA LENDING's request, Broker shall provide additional information about its financial condition to ACRA LENDING in accordance with a request therefor from ACRA LENDING.

The undersigned (each a "Guarantor"), jointly and severally (if more than one), absolutely and unconditionally guarantee the prompt payment to ACRA LENDING, including its successors and assignees, of any and all Obligations incurred by the Broker pursuant to the Agreement (this "Personal Guaranty"). Each Guarantor further agrees to repay the Obligations on demand, without requiring ACRA LENDING first to enforce payment against Broker. This is a guarantee of payment and not of collection. This is an absolute, unconditional, primary, and continuing obligation and will remain in full force and effect until the first to occur of the following: (a) all of the Obligations have been indefeasibly paid in full, (b) ACRA LENDING has terminated this Personal Guaranty, or (c) 30 days after the date on which written notice of revocation is actually received and accepted by ACRA LENDING. No revocation will affect: (i) the then existing liabilities of the revoking Guarantor under this Personal Guaranty; (ii)



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Obligations created, contracted, assumed, acquired, or incurred prior to the effective date of such revocation; (iii) Obligations created, contracted, assumed, acquired, or incurred after the effective date of such revocation pursuant to any agreement entered into or commitment obtained prior to the effective date of such revocation; or (iv) any Obligations then or thereafter arising under the agreements or instruments then in effect and then evidencing the Obligations. Each Guarantor represents and warrants that it is a legal resident of the United States of America. Each Guarantor waives

all notices to which the Guarantor might otherwise be entitled by law, and also waives all defenses, legal, equitable, otherwise available to the Guarantor. This Personal Guaranty shall be construed in accordance with the laws of the State of California, and shall inure to the benefit of ACRA LENDING, its successors and assigns. To the extent not prohibited by applicable law, each of the undersigned Guarantors waive any right to a trial by jury of any claim or cause of action based upon, arising out of, or related to this guaranty, the Agreement and all other documentation evidencing the Obligations, in any legal action or proceeding. Any such claim or cause of action shall be tried by court sitting without a jury.

By signing below, Broker certifies that:

- Broker agrees to this Broker Compensation Addendum to the Agreement and understand that payment of this compensation must be properly disclosed per all legal and regulatory requirements;
- Broker understands that this Broker Compensation Addendum to the Agreement impacts all loans submitted to ACRA LENDING from all of our office locations.

Please Choose:

☐

Broker has included the most recent company financial statement, including Balance Sheet and Profit & Loss statement, showing a minimum tangible net worth of \$50,000;

Or

☐

Broker is giving ACRA LENDING a Personal Guaranty attached hereto as Exhibit A and as described herein and will be providing a personal financial statement.

*****PLEASE EMAIL THIS COMPLETED FORM TO:**
brokers@acralending.com***

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by their duly authorized representative who, by signing below, represent and certify as having the authority to bind the respective party to this Addendum.

BROKER

ACRA LENDING

By: _____

By: _____

Typed Name: _____

Typed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____