



ROCKSTONE

WHOLESALE • NON-QM • JUMBO • RTL

BROKER APPROVAL AGREEMENT

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Rockstone Wholesale

Broker Approval Agreement

NONQM LOAN AGREEMENT



Broker Items Needed

In order for us to process your Broker Application in a timely manner, please provide the following items / information:

- ☐ Company Profile
- ☐ Broker Agreement
- ☐ Loan Fraud Zero Tolerance Disclosure
- ☐ Copy of Licensing from State Regulator and the Nationwide Mortgage Licensing System & Registry for all states in which you wish to conduct business
- ☐ Company Contact List to include all Executives / Principals, Loan Officers, and Processors in which Rockstone will be in contact

Thank you for your assistance. We look forward to a successful partnership.

ROCKSTONE WHOLESALE ACCOUNT EXECUTIVE (IF KNOWN)



Company Profile

COMPANY NAME

PHYSICAL ADDRESS

CITY

STATE

ZIP

MAIN PHONE

MAILING ADDRESS (IF DIFFERENT)

CITY

STATE

ZIP

WEBSITE ADDRESS

MAIN CONTACT FOR APPLICATION (NAME/TITLE)

PHONE

EMAIL

Company Type (check all that apply)

- ☐ Mortgage Banker
- ☐ Commercial Bank
- ☐ Federally Chartered Savings Inst.
- ☐ State Chartered Savings Inst.
- ☐ Credit Union
- ☐ Other

Legal Description (check all that apply)

- ☐ Sole Proprietorship
- ☐ S-Corporation
- ☐ C-Corporation
- ☐ Limited Liability Corp. (LLC)
- ☐ General Partnership
- ☐ Limited Partnership (LP or LLP)
- ☐ Other

ORGANIZATION DATE

ORGANIZATION STATE

FEDERAL TAX ID NO.

FISCAL YEAR END

Owner(s), % of Ownership, Trading Symbol (if applicable)

OWNER NAME

% OWNERSHIP

TRADING SYMBOL



OWNER NAME

% OWNERSHIP

TRADING SYMBOL

OWNER NAME

% OWNERSHIP

TRADING SYMBOL



Company Profile (Continued)

DBAS

Officers

CEO	PHONE	EMAIL
PRESIDENT	PHONE	EMAIL
COO	PHONE	EMAIL
CFO	PHONE	EMAIL
LOAN PRODUCTION	PHONE	EMAIL
OPERATIONS	PHONE	EMAIL
SECONDARY MARKETING	PHONE	EMAIL
QUALITY CONTROL	PHONE	EMAIL
VENDOR RELATIONS MANAGER	PHONE	EMAIL
OTHER	PHONE	EMAIL

GENERAL CERTIFICATIONS

The undersigned declares that, to the best of his / her knowledge, the statements set forth herein are true. Rockstone (and its subsidiaries and / or affiliates) is hereby authorized to obtain verification of any information provided herein.

OFFICER SIGNATURE

DATE

PRINTED NAME

TITLE

OFFICER SIGNATURE

DATE

PRINTED NAME

TITLE



OFFICER SIGNATURE

DATE

PRINTED NAME

TITLE



Broker Agreement

THIS AGREEMENT (the "Agreement") is entered into as of this ____ day of _____, 20__ by and between Rockstone Wholesale ("Rockstone"), a DBA of Quintess Funding LLC, a Wyoming Corporation, having its principal office at 3501 Algonquin Rd., Suite 300, Rolling Meadows, IL 60008, and the Broker identified below ("Broker"):

BROKER LEGAL NAME

BROKER ENTITY TYPE (E.G. LLC, CORPORATION, SOLE PROPRIETORSHIP)

BROKER PRINCIPAL OFFICE ADDRESS

Preliminary Statements

- WHEREAS, Rockstone is a mortgage lender that originates and funds residential mortgage loans for portfolio and / or sale to investors in the secondary market;
- WHEREAS, Broker assists prospective borrowers in locating residential mortgage lenders to finance the purchase and refinance of residential property;
- WHEREAS, Broker assists prospective borrowers in completing and processing loan applications, and evaluates such applications for consideration and review by various residential mortgage lenders;
- WHEREAS, Rockstone and Broker desire to enter into a nonexclusive relationship under which Broker may submit such loan applications and supporting documentation to Rockstone from time to time for its consideration; and
- WHEREAS, Rockstone desires to consider making loans secured by mortgages to such prospective borrowers in accordance with established terms and conditions.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration the receipt, sufficiency, and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Application and Amendment of the Broker Guide.

Rockstone has provided to Broker and Broker has received and reviewed the Rockstone Underwriting Rate Guide / Matrix (together as the "Guide"), which is incorporated by reference in its entirety into this Agreement. Broker has had the opportunity to ask questions of Rockstone concerning the Guide. Broker understands and agrees that Rockstone can amend, alter, modify, supplement, replace, or restate the Guide (an "Amendment") at any time, from time to time, in its sole discretion without the consent of Broker and that Rockstone's interpretation of the Guide, as applicable, shall be final and binding on Broker in all respects. Rockstone shall give notice to Broker of an Amendment to the Guide, and the Amendment shall become effective immediately or as specifically provided therein. In the event of any inconsistencies between the provisions of this Agreement and the Guide, this Agreement shall control.

Section 2. Definitions.

Unless otherwise defined herein, the capitalized terms used herein shall have the meanings set forth in the Guide.

Section 3. Eligible Loans; Pricing.

- (a) Rockstone Loan Programs and Products.** Rockstone will accept only those Loan Applications which conform to the Loan Programs and Products then offered by Rockstone. Broker acknowledges that Rockstone reserves the right to alter, add, or delete Loan Programs and Products from time to time by amending the Guide, and Broker accepts responsibility for knowing which Loan Programs and Products are offered by Rockstone at any given time. Broker shall be responsible for assuring that each Eligible Loan Application submitted to Rockstone complies with all of the terms and conditions of Rockstone Loan Programs and Products, and the terms and conditions hereof at the time Broker registers the Eligible Loan Application with Rockstone.
- (b) Eligible Loan Pricing.** Rockstone shall make available to Broker, on a periodic basis, rate and pricing information applicable to its Loan Programs and Products via the Rockstone website (www.rockstonewholesale.com). Such rate and pricing information as contained in the Rate Guide / Matrix is subject to change without notice. Broker shall comply with the guidelines set forth in the Guide concerning interest rates and lock-ins which apply to the particular Loan Programs and Products then offered by



Rockstone.

Section 4. Broker Requirements.

- (a) Taking of Loan Applications. Broker shall take Loan Applications in its own name through its employees. All Loan Applications must have been originated and processed by Broker. Broker shall not submit third party originations under this Agreement.
- (b) Registration; Application. Broker shall register each Eligible Loan Application with Rockstone as set forth in the Guide. Broker shall submit for each Eligible Loan Application registered with Rockstone, the application signed by the prospective borrowers and such credit, financial and other information as set forth in the Guide and / or as may be required by law. Loan Applications submitted by Broker shall be considered registered upon receipt by Broker or written or electronic registration confirmation from Rockstone. Broker shall assist Rockstone in obtaining any additional information needed by Rockstone or to otherwise facilitate the closing of the loan transaction.
- (c) Export of Data Feed and Document Images. Broker shall electronically export to Rockstone or its designee(s), such loan information data and loan document images as set forth in the Guide and as reasonably required by Rockstone. Loan information data shall be exported at time of loan registration or as Rockstone may otherwise reasonably require. In the event Broker requests an Eligible Loan Application preapproval from Rockstone, document images shall be exported by Broker two (2) days prior to Rockstone's pre-approval decision.
- (d) Performance of Broker Services. In addition to taking the information from prospective borrowers and filling out the Loan Applications, Broker shall perform services including but not limited to all of the following services:
 - (i) Comply with all applicable local, state, and federal laws, including but not limited to the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Credit Reporting Act, predatory lending, usury, consumer credit laws, and any other government regulatory requirements relevant to brokerage of real property secured loan applications in each jurisdiction where the real property securing the promissory note is located;
 - (iii) Analyze the prospective borrower's income and debt after verifying same and prequalifying the prospective borrower to determine the maximum Eligible Loan that the prospective borrower can afford; educate the prospective borrower in the home buying and financing process, advise the borrower about the different types of loan products available, and demonstrate how closing costs and monthly payments would vary under each product;
 - (iv) Collect financial information (tax returns, bank statements) and other related documents that are part of the application process and verify and review the same for completeness and accuracy;
 - (v) Initiate / order VOEs (verifications of employment) and VODs (verifications of deposits), and verify and review the same for completeness and accuracy;
 - (vi) Initiate / order request for mortgage and other loan verifications;
 - (vii) Initiate / order appraisals;
 - (viii) Initiate / order inspections or engineering reports;
 - (ix) Assist prospective borrowers in understanding and clearing credit problems;
 - (x) Maintain regular contact with prospective borrowers, real estate agents, and Rockstone, between application and closing to apprise them of the status of the application and to gather any additional information as needed; and
 - (xi) Order legal documents.

Section 5. Duties of Rockstone.

- (a) Underwriting of Loan Applications. Rockstone shall be solely responsible for underwriting all Loan Applications provided by Broker. Rockstone shall have no obligation to approve or close an Eligible Loan Application which in its sole discretion does not meet Rockstone underwriting requirements. In making its determination, Rockstone expressly disclaims any inference Broker may draw as to the general quality or acceptability of the Eligible Loan Application. Rockstone retains sole and absolute discretion to reject any Eligible Loan Application which does not comply with the terms and conditions of this Agreement, the Guide or its underwriting standards, or for any reason whatsoever (except as prohibited by law), and to set the terms and conditions of any approval of an Eligible Loan Application. Rockstone shall notify Broker of Rockstone's disposition of an Eligible Loan Application as set forth in the Guide.
- (b) Closing of Loan Applications. Loan Applications will close in the name of Rockstone. In the absence of any changes occurring or arising after its approval, Rockstone, or its agents, shall promptly proceed to the closing of each approved Eligible Loan Application in accordance with the terms and conditions of its approval. Rockstone, or its agents, shall prepare the closing package and close the Eligible Loan Application in its name and with its own funds. Unless otherwise agreed, Rockstone, or its agents, shall contact, and arrange with borrower and all other necessary parties, each loan closing. Rockstone, or its agents, shall promptly advise Broker as each loan closes and will promptly advise Broker of any issues that may delay a loan closing. Rockstone shall be responsible for customer service and support with respect to requests for such Eligible Loans after they are closed.



- (c) Disclosure and Closing Statement. Rockstone will provide any and all disclosures and Closing Statements (including but not limited to the Loan Estimate, Closing Disclosure, and others required by law or prudent lending practices) to prospective borrowers within time periods required.

Section 6. Compensation.

Rockstone will convey to the settlement agent, after its review and approval, Broker's instructions to remit to Broker at closing all qualified expenses and compensation for services provided to borrowers and / or Rockstone.

Section 7. Privacy of Nonpublic Personal Information.

All capitalized terms used in this Section 7 and not otherwise defined shall have the meaning set forth in the federal "Privacy of Consumer Financial Information" regulation, as amended from time to time (the "Privacy Regulation"), issued pursuant to Section 504 of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.). Both parties acknowledge that the Privacy Regulation governs disclosures of nonpublic personal information about consumers.

- (a) Nonpublic Personal Information Security. Both parties hereby represent and warrant as follows with respect to any nonpublic personal information released to it by the other party: (i) the receiving party controls access to the network on which any such nonpublic personal information is stored, through the compliance with and utilization of its information security measures which restrict access; and (ii) the receiving party shall comply with its respective information security measures.
- (b) Use of Nonpublic Personal Information. Both parties hereby agree that they shall: (i) comply with the terms and provisions of the Privacy Regulation, including, without limitation, the provisions regarding the sharing of nonpublic personal information; (ii) not disclose or use any nonpublic personal information that it obtains from the other party except to carry out the purpose for which such nonpublic personal information was provided, or as otherwise permitted by the Privacy Regulation and other applicable laws; (iii) comply with its respective information security standards; (iv) not make any changes to its security measures that would increase the risk of an unauthorized access.
- (c) Return of Nonpublic Personal Information; Remedy. At any time, upon the other party's request, either party shall return all nonpublic personal information provided by the other party in such party's possession except to the extent retention is legally required. Both parties agree that money damages would not be a sufficient remedy for any breach of this Section 7 and that the non-breaching party shall be entitled to seek injunctive or other equitable relief to remedy or prevent any breach or threatening breach of this Section 7. Such remedy shall not be the exclusive remedy for any breach of this Section 7, but shall be in addition to all other rights and remedies available at law or in equity.

Section 8. Representations, Warranties, and Covenants of Broker.

As an inducement to Rockstone to enter into this Agreement and to perform its duties hereunder, Broker represents, warrants, and covenants to Rockstone, as of the date of this Agreement and as of the date each Eligible Loan Application is submitted to Rockstone, as follows:

- (a) Due Organization; Good Standing. Broker is duly organized, validly existing and in good standing (in the case of a corporation or limited liability company) under the laws of the state governing its creation and existence, and Broker is qualified and in good standing in the states where the mortgaged properties in each Eligible Loan Application are located, if the laws of such states require licensing or qualification in order to conduct business of the type conducted by Broker.
- (b) Authority and Capacity. Broker has full power, authority and capacity to enter into this Agreement, and to perform its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action. This Agreement constitutes a valid and legally binding Agreement of Broker enforceable in accordance with its terms.
- (c) No Conflicts. The execution, delivery and performance of this Agreement by Broker, its compliance with the terms hereof and consummation of the transactions contemplated hereby, will not violate, conflict with, result in a breach of, give rise to any right of termination, cancellation or acceleration under, constitute a default under, be prohibited by or require any additional approval under its articles of incorporation, bylaws, partnership agreement or other applicable organizational documents or any instrument or agreement to which it is a party or by which it is bound, or any applicable federal, state, county, local, or foreign law, or any judicial or administrative decree, order, ruling or regulation, applicable to it.
- (d) Compliance with Laws. Broker has complied, and shall comply, both in the conduct of its business generally, and in its origination of each Eligible Loan Application, with all applicable laws, including, without limitation, the Equal Credit Opportunity Act and Regulation B, including without limitation its requirements relating to nondiscrimination; the Truth in Lending Act and Regulation Z; the Real Estate Settlement Procedures Act, and Regulation X; Gramm-Leach-Bliley Act and the Privacy Regulation; and state laws and regulations governing mortgage lending and mortgage brokerage. Broker represents and warrants that it and each member of its staff is properly licensed in all jurisdictions where required for the origination of loans as provided for in this Agreement and agrees to maintain all applicable licenses and approvals in good standing during the term of this Agreement. Broker shall maintain, available for Rockstone inspection, evidence of compliance with all such requirements.



- (e) Notice of Threatening Actions. Broker has not been issued any administrative order, cease and desist decree or been the subject of any regulatory action nor is there any reasonable basis therefore. Broker shall immediately advise Rockstone in writing of any inquiry or pending or threatening action, by way of a proceeding or otherwise, to revoke or limit any license, permit, authorization or approval issued or granted by any federal, state or local government or quasi-governmental body, or any agency or instrumentality thereof, necessary for Broker or any staff member to conduct its business, or to impose any penalty or other disciplinary sanction in connection therewith, or any other sanction that would materially affect Broker's business. In addition, in the event Broker receives any letter, notice, or other writing from any regulatory agency with respect to any Eligible Loan Application registered with Rockstone, Broker shall advise Rockstone immediately of such notice and deliver a copy of the notice to Rockstone.
- (f) SAFE Act. Broker attests to the fact they are in full compliance with the SAFE Act, including but not limited to, appropriate licensing and / or registration of individuals acting as Mortgage Loan Originators ("MLOs"); further, Rockstone maintains a copy of Broker's internal SAFE Act plan.
- (g) Litigation. Except as previously disclosed in writing to and acknowledged in writing by Rockstone, neither Broker nor any of its staff members are party to (i) any litigation as a defendant involving fraud, misrepresentations, violation of any state or federal lending laws or regulatory compliance, or (ii) any negative investor or regulatory findings through audits, examinations or mortgage guaranty insurance investigations.
- (h) No Untrue or Misleading Statements. No representation, warranty, or written statement made by Broker to Rockstone in this Agreement or in any Eligible Loan Application, schedule, exhibit, written statement, or document furnished to Rockstone in connection with the transactions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.
- (i) Business Information. Broker shall furnish Rockstone and its representatives with any necessary information and data concerning the affairs of Broker, as Rockstone may reasonably request, including without limitation information regarding the status of its licenses, permits, authorizations, and approvals necessary for the conduct of its business as well as copies of such documents.
- (j) Financial Statements. Broker shall furnish to Rockstone copies of statements of Broker's financial condition at Rockstone's request. Statements of financial condition shall be audited statements if such are obtained in the normal course of business. Broker hereby represents and warrants to Rockstone that such statements fairly present the pertinent results of operations and changes in financial position for each of such periods, and the financial position at the end of each such period of the Broker and its subsidiaries.
- (k) Credit Reports. Broker agrees that Rockstone may obtain business credit reports concerning Broker and, unless Broker is a publicly traded company, personal credit reports concerning those with a material interest in Broker ("Material Parties") as determined solely by Rockstone, if Rockstone in its sole discretion so elects. Broker represents and warrants that it has obtained its Material Parties' consents for Rockstone to obtain those personal credit reports for this purpose. Without notice to Broker or Material Parties, Rockstone may periodically obtain both business credit reports concerning Broker and personal credit reports concerning Material Parties. Broker will notify Rockstone immediately of any change to its Material Parties or any change in control of Broker.
- (l) Ability to Perform. Broker represents that it employs or will employ a sufficient number of knowledgeable, capable, and trained individuals to perform the services required by this Agreement.

Section 9. Representations, Warranties and Covenants as to Loan Applications.

As further inducement to Rockstone to enter into this Agreement and to perform its obligations hereunder, Broker represents, warrants and covenants to Rockstone as to each Eligible Loan Application submitted to Rockstone as follows:

- (a) Compliance with Laws. As of the date each Eligible Loan Application is funded by Rockstone, all of Broker's activities in connection with the Eligible Loan Application will comply with all applicable federal, state, county, local, and foreign laws.
- (b) Compliance with Rockstone Policies and Guide. The activities of Broker with respect to each Eligible Loan Application will comply in all respects with the Guide. Each registered Eligible Loan Application was originated by Broker and not by a third party. All Mortgage File documents and all Loan Applications, and information and documentation submitted by Broker in connection with such applications, have been prepared and / or completed in accordance with the Guide and all information provided by each of borrower and Broker in such Mortgage File documents, Loan Applications, or other documents and / or provided to any mortgage insurer is true and correct in all respects and does not fail to disclose any facts which could be material or which would make such information misleading.
- (c) Factual Disclosure. With regard to all Loan Applications submitted to Rockstone hereunder, all facts relating to any Eligible Loan Application transaction which are known or should be known to Broker in the exercise of its prudent judgment which may adversely affect the value of the Mortgaged Property, the credit, character or capacity of the borrower, the validity of the Mortgage, or any other aspect of the transaction have been disclosed in writing to Rockstone. The Mortgaged Property has not been damaged by fire, flood, or other causes since the date of performance of the appraisal.
- (d) Occupancy. The occupancy of the Mortgaged Property is as represented to Rockstone by the Mortgagor and / or Broker, and the Broker has no reason to believe that such representation of the Mortgagor and / or Broker is no longer true except as may



be set forth on the Broker Loan Lock-In Reservation.

- (e) Mortgage Insurance Payments. No Eligible Loan Application has a mortgage insurance policy that requires the Broker or any other party except Mortgagor to pay premiums on such policy.
- (f) Appraisal. The appraisal report and the appraiser both satisfy the requirements of Fannie Mae and any applicable requirement of Title XI of the Federal Institutions Reform, Recovery, and Enforcement Act of 1989 and the regulations promulgated thereunder, all in effect on the date the Eligible Loan Application is submitted to Rockstone. The appraisal report with respect to the Mortgaged Property was signed prior to the approval of the Eligible Loan Application by a qualified appraiser, duly appointed by the loan originator, who had no interest, direct or indirect, in the Mortgaged Property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of such application.
- (g) Servicemembers Civil Relief Act. The Mortgagor has not notified the Broker and the Broker has no knowledge of any relief requested or allowed to the Mortgagor under the Servicemembers Civil Relief Act, as amended.
- (h) Predatory Lending. Such Eligible Loan Application is not classified as (a) a "high cost" loan under the Home Ownership and Equity Protection Act of 1994, as amended, or (b) a "high cost", "threshold", or "predatory" loan under any other applicable state, federal, or local law, (c) a "flipped" loan or loan that does not provide the borrower with a "net tangible benefit" as may be defined under any applicable state, federal, or local law.
- (i) Broker Compensation. Unless disclosed to Rockstone in writing before the funding of any mortgage loan, Broker shall not receive any direct or indirect payment from any person other than the applicant with respect to the mortgage loan, including, without limitation, a payment involving escrow, appraisal or sale, and, unless fully disclosed to Rockstone, Broker (and Broker's agents, employees, officers, and directors) shall have no direct or indirect ownership in any property intended as security for the mortgage loan being reviewed by Rockstone for purposes of purchase.

Section 10. Responsibility for Fraud or Negligence.

Broker shall not submit any Eligible Loan Application or other Mortgage File document containing false or misrepresented information or failing to disclose material facts necessary to make the statements contained therein not misleading. Broker shall be responsible for all actions taken in the course of its performance of its obligations under this Agreement, whether performed by Broker, its employees or licensees. Broker acknowledges its understanding that Rockstone disclaims any duty to investigate, verify, authenticate, or confirm any information contained in any Eligible Loan Application or Mortgage File document. The parties have agreed to the allocation of duties and responsibilities set forth herein and Rockstone shall at all times be entitled to rely on Broker's full, complete and faithful performance of its duties and responsibilities hereunder.

Section 11. Purchase and Loss Reimbursement.

- (a) Events of Purchase / Repurchase. Broker shall, in the case of Eligible Loans closed in Rockstone's name, purchase or repurchase any Eligible Loan subject to the contract, if a material breach by Broker, that adversely affects the value of such Eligible Loan, or of any covenant, condition, term, obligation, representation, or warranty related to such Eligible Loan contained in this Agreement or the Guide, or in such Eligible Loan Application, any Mortgage File document or in any written statement or certificate furnished by Broker pursuant to this Agreement or the Guide, including, without limitation, those arising from Broker's fraud or negligence in the origination or processing of such Eligible Loan Application.
- (b) Purchase / Repurchase. Rockstone shall send notice to Broker of any demand for purchase or repurchase within ninety (90) days of the discovery of any event causing such demand for purchase or repurchase. Broker shall have thirty (30) days from date of receipt of such notice from Rockstone to cure any material breach in all respects (in the sole judgment of Rockstone). If such breach is not cured in Rockstone's sole judgment, the purchase shall be effected within ten (10) business days of receipt of written demand by Rockstone. The purchase or repurchase price shall be equal to the outstanding principal balance owing on the date of purchase; plus all fees paid; any compensation paid by Rockstone to Broker; plus any advances made by Rockstone for taxes, insurance, foreclosure expense, or any other related expense; plus interest that has accrued but not been paid up to and including the date the purchase or repurchase funds are received by Rockstone. At the time of purchase or repurchase, Rockstone will arrange for the reassignment of the purchased or repurchased Eligible Loan to Broker.
- (c) Loss and Expense Reimbursement. Notwithstanding the foregoing, and in lieu of requiring repurchase, Rockstone may, at its sole discretion, permit Broker to reimburse Rockstone for any loss and / or expenses incurred by Rockstone as a consequence of the occurrence of an event requiring repurchase. The determination by Rockstone of the nature and amount of such losses and / or expenses shall be final, conclusive, and binding. Broker shall remit to Rockstone the funds necessary to satisfy its obligations hereunder within ten (10) business days from demand of such funds by Rockstone.

Section 12. Indemnification.

- (a) Non-Waiver of Remedies. Nothing contained in this Section 12 shall limit Rockstone's rights to any remedy, legal or equitable, all such legal and equitable remedies, including those provided for herein, being in addition to and not in lieu of any other remedy.



- (b) **Broker Indemnification.** Broker shall indemnify, defend and hold Rockstone and its officers, directors, employees, agents, affiliates and subsidiaries harmless against and in respect of, and shall reimburse Rockstone for any and all losses, liabilities, claims, damages, costs including without limitation attorneys' fees and costs, and actions suffered or incurred by Rockstone which arise out of, result from or relate to: (a) material breach by Broker of any covenant, condition, term, obligation, representation or warranty contained (i) in this Agreement or the Guide, or (ii) in any Eligible Loan Application, Mortgage File document or in any written statement or certificate furnished by Broker pursuant to this Agreement or the Guide, including, without limitation, those arising from Broker's fraud or negligence in the origination or processing of Loan Applications; or (b) any material act or omission of Broker or any employee or agent of Broker which adversely affects any Eligible Loan Application registered with and funded by Rockstone hereunder. In all actions with third parties in which Rockstone has the right to be indemnified hereunder, Rockstone 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.

Section 13. Premium Rebate.

- (a) **Full Repayment.** If a premium is paid by Rockstone to Broker for an Eligible Loan, and such Eligible Loan is prepaid in full within one hundred and eighty (180) days after the closing date other than by a refinancing by Rockstone, or any of its subsidiaries or affiliates, or a financing by Broker which is funded by Rockstone, Broker shall, upon demand by Rockstone, refund such premium to Rockstone. Such payments shall be due to Rockstone within thirty (30) days of notice.
- (b) **Partial Repayment.** If a premium is paid by Rockstone to Broker for an Eligible Loan, and such Eligible Loan is prepaid in any amount which, in the aggregate, exceeds twenty percent (20%) of the original principal balance of the loan, within ninety (90) days after the closing date, Broker shall, upon demand by Rockstone, refund to Rockstone a pro-rated portion of the premium paid by Rockstone to the Broker for such Eligible Loan. The payment shall be calculated by dividing the aggregate prepayment amount by the original principal balance of the loan and multiplying the result by the original premium amount. Such payments shall be due to Rockstone within thirty (30) days of notice.

Section 14. Right of Setoff.

Rockstone and its successors and assigns shall be entitled to set off against any amount to be paid by it to the Broker under this Agreement for such amounts as may be due from the Broker under this Agreement. Rockstone shall provide written notice to Broker, ten (10) days prior to any setoff action.

Section 15. Term; Termination.

- (a) **Term.** The term of this Agreement shall commence as of the date hereof and shall extend until the termination of this Agreement pursuant to this Section 15.
- (b) **Termination Without Cause.** This Agreement may be terminated without cause by Rockstone or Broker upon thirty (30) days written notice to the other party. Such termination shall not in any respect change or modify the obligations of the parties with respect to (i) loan applications which have been registered with Rockstone pursuant to Section 4 prior to the date of termination or (ii) either party's obligations under this Agreement accruing prior to the date of termination.
- (c) **Termination for Cause.** Notwithstanding anything to the contrary herein, Rockstone may terminate this Agreement immediately, upon written notice to Broker, (i) if Rockstone determines or reasonably suspects that fraud has occurred in the origination of any Eligible Loan Application, (ii) if Broker fails to perform any of its obligations under this Agreement, or (iii) if any federal, state, county, local, and foreign law makes it unlawful for Rockstone and Broker to do business in accordance with the terms of this Agreement. If the Agreement is terminated by Rockstone under this paragraph, Rockstone shall have no obligation to Broker after the date notice is given to fund any Eligible Loan Application, irrespective of whether such Eligible Loan Application has been registered with Rockstone.
- (d) **Survival.** All of Broker's representations and warranties, and obligations of indemnification in Section 12, shall survive any termination of this Agreement, and shall be fully applicable whether or not Rockstone relies thereon or has knowledge of any facts at variance therewith.

Section 16. No Solicitation.

Subject to the provisions set forth in this Section 16, from and after the date hereof, neither Broker, nor any of its subsidiaries or affiliates, shall solicit, by means of direct mail, telephonic, email, or personal solicitation the Mortgagors of any Eligible Loan for purposes of prepayment of such Eligible Loan; provided, however, Broker may solicit Mortgagors of any Eligible Loan for a refinance transaction if (a) six (6) months has lapsed since the date of the Eligible Loan's initial closing with Rockstone and (b) such transaction results in a reduction in the Eligible Loan's Mortgage Note rate of at least 0.500%.

**Section 17. Miscellaneous.**

- (a) **Broker Grant of Limited Power of Attorney.** Broker hereby appoints Rockstone and the directors, officers, employees, agents, successors and assigns of Rockstone as its true and lawful attorney-in-fact without right of revocation and with full power of substitution for and in its place and stead to (i) demand and control all sums due on Eligible Loans closed and funded pursuant to this Agreement and to enforce all rights with respect thereto, (ii) endorse, mark, place, or otherwise evidence Broker's name as payee on all checks, drafts, acceptances, or other form of partial or full Eligible Loan payment delivered or tendered to Rockstone, (iii) endorse, mark, place or otherwise evidence Broker's name on all notes, mortgages, deeds of trust, and other forms of security instruments of collateral and all assignments, full or partial releases or satisfactions of said mortgages, deeds of trust, and other forms of security instruments or collateral for all Eligible Loans closed and funded pursuant to this Agreement. Broker agrees to execute such other documents as Rockstone may reasonably request to evidence the appointment of Rockstone as Broker's attorney-in-fact.
- (b) **Successors and Assigns.** This Agreement shall be binding and inure to the benefit of and be binding upon the parties hereto and their successors and assigns. This Agreement is not assignable by the Broker without the prior written consent of Rockstone, which consent may be withheld by Rockstone at its sole discretion. A change in ownership, merger, or consolidation of Broker shall be considered an assignment for purpose of this Agreement.
- (c) **Notices.** All demands, notices, and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, postage prepaid, or by a nationally recognized overnight courier service, to Broker at the address on file, and if to Rockstone: Rockstone Wholesale, 444 West Lake St., Suite 1700, Chicago, IL 60606, Attention: Secondary Marketing Mgr., or such other address as may hereafter be furnished by either party in writing.
- (d) **Books and Records.** Broker shall prepare and maintain Mortgage File documents in accordance with applicable guidelines established in the Guide and applicable agency guidelines. Broker and Rockstone shall keep and maintain a complete and accurate account, satisfactory to Rockstone, of all funds collected and paid relating to the Loan Applications. Broker shall give Rockstone, its employees, and its representatives, including without limitation internal and external auditors, quality control auditors, attorneys, bank examiners and regulatory agency examiners, access, upon reasonable advance notice and during normal business hours, to audit and inspect Broker's files, books, records, reports, statistics, and other documents of Broker relating to its obligations under this Agreement and the Broker Guide.
- (e) **Relationship of Parties.** Neither party is the partner, agent, employee or representative of the other nor shall nothing in this Agreement be construed or deemed to create a partnership, joint venture, agency or employment relationship between Rockstone and Broker. Broker shall conduct business in its own name and not in Rockstone's name. Broker shall not represent that its office is an office, branch or agency of Rockstone or in any other way connected with Rockstone. Broker shall have no authority to sign any documents on behalf of Rockstone, or to bind or obligate Rockstone in any manner whatsoever.
- (f) **Confidentiality.** Both parties understand that all information provided to the other party in connection with this Agreement, including but not limited to, with respect to Rockstone, all information contained in the Guide, is confidential and proprietary to the providing party. Both parties agree to keep in confidence and not disclose to any third party, duplicate or use for the benefit of any third party, any such information given to or discovered by such party by or from the other, and agree to return all documents and other media containing such information to the other party upon termination of this Agreement.
- (g) **Entire Agreement.** This Agreement, the Guide, and any other agreement, document or instrument attached hereto or referred to herein or in the Guide, contain the entire Agreement between the parties and supersedes all prior agreements and understandings with respect to the subject matter hereof.
- (h) **Amendment and Waiver.** Except as provided in Section 1 concerning the Guide, this Agreement may be amended from time to time by Broker and Rockstone solely by written agreement signed by Broker and Rockstone. The waiver of any right or remedy in respect of any one occasion shall not be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion.
- (i) **Modification of Obligations.** Rockstone may, without any notice to Broker, extend, compromise, renew, release, modify, adjust or alter, by operation of law or otherwise, any of the obligations of a borrower or other persons obligated under an Eligible Loan without releasing or otherwise affecting the obligations of Broker with respect to such Eligible Loan or otherwise under this Agreement.
- (j) **Severability and Survival of Provisions.** If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other covenants, agreements, provisions, or terms of this Agreement or the rights of Rockstone hereunder.
- (k) **Governing Law.** This Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of California.
- (l) **Consent to Jurisdiction.** The parties agree that all legal actions and proceedings arising out of or related to this Agreement, or the transactions contemplated hereby, shall be brought in a Federal Court or State Court located in the State of California with exclusive venue in the County of Orange, and the parties hereby waive any objections to summons, service of process, jurisdiction over the person or subject matter, or the venue of the courts listed above.



- (m) Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.
- (n) Attorney's Fees. In the event of a dispute arising from or concerning an obligation of Broker or Rockstone under this Agreement which results in litigation of the issue, the prevailing party to such litigation shall be indemnified by the other party for all costs and expenses in bringing or defending such action.
- (o) Authorized Representatives. Rockstone shall be entitled to rely, without investigation, that any person holding themselves out to be a representative of Broker for purposes of signing this Agreement or other document delivered in connection with this Agreement or taking other action pursuant to the Agreement was, at the respective times of such signing or actions, a duly elected or appointed, qualified and authorized representative of Broker.
- (p) Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.



Signature Page to Broker Agreement

IN WITNESS WHEREOF, Broker and Rockstone have caused their names to be signed hereto by their respective officers hereunto duly authorized as of the day and year first above written.

Broker

BROKER COMPANY NAME

AUTHORIZED SIGNATURE

PRINTED NAME OF AUTHORIZED SIGNOR

TITLE OF AUTHORIZED SIGNOR

Rockstone Wholesale

AUTHORIZED SIGNATURE

PRINTED NAME OF AUTHORIZED SIGNOR

TITLE OF AUTHORIZED SIGNOR



Addendum A

This agreement applies to the following companies & any company associated with the following companies: Rockstone ("Rockstone"), Rockstone Wholesale, Rockstone Wholesale, Inc., Rockstone Wholesale LLC, Rockstone Funding Inc., Rockstone Funding LLC, Rockstone Funding, Rockstone Capital LLC., Rockstone Capital Inc. ("Rockstone"), Quintess Funding LLC, www.RockstoneWholesale.com, Arcstone Financial Inc., AMP Mortgage. Rockstone reserves the right to transfer this agreement to any associated company of Rockstone or a company Rockstone operates as or a DBA of.



Loan Fraud Zero Tolerance

All Loan Brokers must be aware that the licensed Mortgage Loan Officer (“MLO”) under the Nationwide Mortgage Licensing System & Registry or the licensed Real Estate Broker bears the responsibility for all actions of his or her employees or licensees. The Broker is responsible for the content and quality of each application taken and each loan submitted to Rockstone Wholesale. Submission of a loan application containing false information is a crime punishable by law.

Types of Loan Fraud

1. Submission of inaccurate information including false statements on loan applications and falsification / forgery of documents purporting to substantiate credit, employment, deposit or asset information, personal information, including identity, ownership / non-ownership of real property.
2. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated on the Security Instrument.
3. Lack of due diligence by Broker / Loan Officer / Interviewer / Processor, including failure to obtain all information required by the application and failure to request information as dictated by the Borrower's responses to other questions.
4. Unquestioned acceptance of information or documentation that is known or should have been known or should be suspected to be inaccurate.
5. Allowing an applicant or interested third party to assist with the processing of the loan.
6. Broker's non-disclosure of relevant information.

Consequences

The effects of Loan Fraud are costly to all parties involved. Rockstone stands behind the quality of its loan production. Fraudulent loans cannot be sold to investors in the Secondary Market and if sold, will require repurchase. Fraudulent loans damage Rockstone's reputation with those investors. The price paid by those who participate in Loan Fraud is even more costly, and may include:

- Criminal prosecution
- Loss of licenses
- Civil action by Rockstone or other parties to the transaction
- Immediate loss of approval to business status with Rockstone

I have read the foregoing and fully understand Rockstone Wholesale's position on Loan Fraud. Neither this Broker nor any party acting this Broker's behalf will knowingly and / or willfully engage in the practice of Loan Fraud that results in the origination and subsequent submission of a fraudulent loan to Rockstone Wholesale.

SIGNATURE OF BROKER

DATE

PRINTED NAME & TITLE OF BROKER

SIGNATURE OF PRINCIPAL OFFICER

DATE

PRINTED NAME & TITLE OF PRINCIPAL OFFICER



Loan Originator Compensation & Anti-Steering Attestation

Effective as of April 01, 2011, the Federal Reserve Board implemented a change to Regulation Z compensation and anti-steering changes under the Truth in Lending Act (TILA). The new Federal Reserve rules affect all mortgage loan originators without exception. In compliance with loan originator compensation rules under the Federal Truth in Lending Act (TILA) as well as Regulation Z and amendments, you hereby attest and affirm the following with no reservations to Rockstone Wholesale. That for any and all loan transactions you deliver to Rockstone Wholesale the following is true:

1. Neither the seller nor any other party has paid compensation based on the interest rate or other prohibited terms and conditions under the aforementioned regulations.
2. For the purpose of increased originator compensation, no consumer has been steered into a product or program by a loan originator.

LOAN ORIGINATION COMPANY

LOAN ORIGINATOR NAME

DATE

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SIGNATURE



Broker Compensation Addendum to Wholesale Broker Agreement

This Broker Compensation Addendum ("Addendum") is entered into by and between Rockstone Wholesale ("RS") and Broker, and amends and supplements the Wholesale Broker Agreement ("Agreement") entered into by and between RS and Broker. Read together, the Agreement and this Addendum constitute one integrated document.

BROKER COMPANY NAME

- If completed and returned, this Addendum restates and supersedes any and all prior Broker Compensation Addenda to the Broker Lending Agreement between the parties.
- RS and Broker agree that this Addendum will be effective for all mortgage loans registered and assigned an RS loan number on or after the date of this Addendum. Compensation levels specified below shall be effective unless and until amended.

Compensation Paid by the Borrower

Borrower-Paid Compensation is compensation paid by the borrower to Broker from the borrower's own funds and may include seller concessions. It is directly negotiated between Broker and borrower and, once agreed, may not change. By selecting to be paid by the borrower, Broker may not receive any compensation directly or indirectly from any other party or entity to the transaction, or outside of the transaction, including from RS. RS limits compensation paid by the Borrower to a maximum of 3.00% of the loan amount.

Compensation Paid by the Lender (RS)

Lender-Paid Compensation is Broker compensation paid by RS to Broker. When Broker selects Lender-Paid Compensation for a given application, upon funding RS will pay Broker the product of the Lender-Paid Compensation rate and the funded principal amount. A selected Tier cannot vary once a Loan Application is submitted. For loan applications where Broker has selected Lender-Paid Compensation, Broker may not receive any compensation from the borrower or any other party, and agrees that Broker cannot offer credits towards third party closing costs.

Broker shall select one of the following Lender-Paid Compensation tiers (please select carefully, as it must be all-inclusive of broker fees, including but not limited to origination, processing, application, and administration):

- | | | |
|---------------------------------------|---------------------------------------|--|
| ☐ Tier: .500% | ☐ Tier: .625% | ☐ Tier: .750% |
| ☐ Tier: 1.000% | ☐ Tier: 1.125% | ☐ Tier: 1.250% |
| ☐ Tier: 1.375% | ☐ Tier: 1.500% | ☐ Tier: 1.750% |
| ☐ Tier: 1.875% | ☐ Tier: 2.000% | ☐ Tier: Select loan by loan |

Some programs have LPC caps or are BPC only; "loan by loan" selections require approval by senior management. Check rate sheets for LPC availability on NonQM loan programs.

Broker may request a change to its effective Lender-Paid Compensation Rate via an executed Update Selection Form, effective the first business day following RS's receipt of same. Broker may elect, on a loan-by-loan basis, to receive either Borrower-Paid or Lender-Paid Compensation; however, once a Lender-Paid Compensation Tier is selected for a submitted Loan Application, it may not be changed for any reason while that application is being processed.

Broker acknowledges that when compensation is paid by RS, such amount is and will be their sole source of compensation. Broker will not charge the consumer(s) any additional fees, or accept any compensation in any form, at any time, from any party other than RS. Under no circumstance may Broker receive compensation from both the borrower and a party other than the borrower (including RS) for the same mortgage loan — no dual compensation is permitted.

If a loan is paid in full during the first one hundred and eighty (180) days following its funding date, Broker shall pay to RS all Lender-Paid Compensation paid by RS with regard to such loan, within ten (10) days of RS's notice. 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, Broker shall likewise pay to RS all Lender-Paid Compensation paid with regard to such loan.

RS is hereby authorized, at any time and without presentment, demand, protest or other notice of any kind to Broker, to set off from any amounts due Broker from RS, any and all amounts due RS from Broker. This remedy is in addition to any other remedy RS 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 RS, prepared in accordance with generally accepted accounting principles, either audited by a certified public accountant or executed by the Broker's President, Controller, Managing Member, General Partner or Sole Proprietor, including both a balance sheet and an income statement for the fiscal year most recently ended.

Personal Guaranty

The undersigned (each a "Guarantor"), jointly and severally (if more than one), absolutely and unconditionally guarantee the prompt payment to RS, 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 RS first to enforce payment against Broker. This is a guarantee of payment and not of collection, and an absolute, unconditional, primary, and continuing obligation that will remain in full force and effect until all Obligations have been indefeasibly paid in full, RS has terminated this Personal Guaranty, or 30 days after RS receives written notice of revocation. Each Guarantor represents and warrants that they are a legal resident of the United States of America, waives all notices and defenses to which they might otherwise be entitled by law, and waives any right to a trial by jury of any claim or cause of action based upon, arising out of, or related to this guaranty. This Personal Guaranty shall be construed in accordance with the laws of the State of California.



Broker Compensation Addendum (Continued)

By signing below, Broker certifies that:

- (a) Broker is, and shall remain, in compliance with the Federal Reserve Board's Loan Officer Compensation, Anti-Steering, and Safe Harbor Final Rule as published in 12 CFR Part 226 Regulation Z;
- (b) Broker agrees to this Broker Compensation Addendum to Wholesale Broker Agreement and understands that payment of this compensation must be properly disclosed per all legal and regulatory requirements;
- (c) Broker understands that this Broker Compensation Addendum to Wholesale Broker Agreement impacts all loans submitted to RS from all of our office locations.

Please Choose:

- ☐ Yes, Broker has included our most recent financial statement including Balance Sheet and Profit & Loss statements plus our previous year financial statements.
- ☐ Yes, we'd like to give RS a Personal Guaranty as described in the above Addendum and we will be providing a personal balance sheet.

Please email this completed form to: sales@rockstonewholesale.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

BY

TYPED NAME

TITLE

DATE

Rockstone Wholesale

BY

TYPED NAME

TITLE

DATE

“We look forward to doing business with you.”