



Commercial Broker Agreement

THIS COMMERCIAL BROKER AGREEMENT (herein, the "Agreement") is made and entered into by and between Arc Home LLC, ("Arc") and _____ ("Broker") (herein, individually, a "Party," and collectively, the "Parties").

WITNESSETH:

WHEREAS, Arc is a mortgage lender that originates commercial mortgage loans;

WHEREAS, Broker assists loan applicants in locating mortgage lenders;

WHEREAS, Broker assists loan applicants in completing and processing loan applications for consideration and review by various commercial mortgage lenders;

WHEREAS, Arc and Broker desire to enter into a non-exclusive relationship under which Broker may submit such loan applications and supporting documentation to Arc from time to time for its consideration;

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:

I. DEFINITIONS

- 1.1 **Applicant(s)** means individual(s) who engage with Broker to obtain a Loan through an independent lender.
- 1.2 **Affiliated Settlement Service Provider** means a provider of mortgage loan settlement services that is controlled by or under common control with Broker, as "affiliate" is defined in in the Bank Holding Company Act, 12 U.S.C. 1841.
- 1.3 **CFPB** means the Consumer Financial Protection Bureau.
- 1.4 **Loan(s)** means a loan (i) secured by a one-to-four single family residential dwelling that is for a business purpose use only, and which is not a occupied by the borrower, or the family of such borrower, who is, either directly or indirectly obligated for such loan, for more than fourteen (14) days in any calendar year, (ii) funded by Arc, and (iii) originated by Broker.
- 1.5 **Loan Closing** means the date Arc funded the loan.
- 1.6 **Loan Application Package** means a documentation package submitted to Arc by Broker for the Applicant(s) to apply for a Loan.
- 1.7 **Mortgaged Property** means the borrower's real property, which consists of a fee simple interest in real property pledged to secure repayment of the Loan.

II. PREPARATION AND DELIVERY OF LOAN APPLICATIONS

- 2.1 Broker shall, from time to time, in the ordinary course of Broker's business, accept from individual Applicants their applications for commercial mortgage loans.
- 2.2 Broker shall only solicit Applicants to apply for business purpose loans and shall not solicit Applicants for any consumer purpose loans.
- 2.3 Each individual Loan Application Package submitted to Arc by Broker shall be complete and accurate and meet all of Arc's standard requirements for the receipt of such packages from approved brokers in accordance with the policies, procedures and fee schedules set by Arc and provided to Broker from time to time for a loan program currently offered by Arc.
- 2.4 Broker shall submit to Arc for Arc's review and approval or rejection, those Loan Application Packages for Loans that Broker, in Broker's sole discretion, elects to submit to Arc. Broker shall not be obligated to submit any particular Loan Application Package to Arc.
- 2.5 Each individual Loan Application Package submitted to Arc shall meet all federal, local and state laws, statutes, rules, ordinances and regulations that are applicable to commercial mortgage brokering, lending, and servicing.

III. SUBMISSION OF LOAN APPLICATION PACKAGES

- 3.1 Broker expressly understands and acknowledges that Arc may approve or reject a Loan Application Package in its sole and absolute discretion.
- 3.2 Broker shall indicate clearly to all Applicants that no Loan Application Package may be fully considered by Arc for approval or rejection until a completed Loan Application Package together with all requisite supporting documentation is submitted to Arc.
- 3.3 All Loan Application Packages submitted become the exclusive property of Arc upon submission.
- 3.4 Broker acknowledges and agrees that in the course of its business, Arc conducts quality control audits of Loan Application Packages. Arc shall have the right to review the Broker's files related to Loan Application Packages submitted to Arc, and Broker shall make such records available to Arc during Broker's normal business hours.

IV. APPROVAL OR REJECTION OF LOAN APPLICATION PACKAGES BY ARC

- 4.1 Subsequent to Broker's submission of a completed Loan Application Package in accordance with the provisions of this Agreement, Arc shall consider whether to approve or reject the Loan Application Package in its sole and absolute discretion.
- 4.2 Arc shall not be under any obligation to approve any Loan Application Package or any minimum number of Loan Applications (or originate any mortgage loan related thereto) at all. Arc shall have the right, but not the obligation, to underwrite any Loan Application Package. The exercise of this right by Arc shall not affect in any way Broker's obligations hereunder, including, without limitation, Broker's indemnification obligations under this Agreement. Arc shall use its commercially reasonable efforts to be responsive to Broker but is under no obligation to approve or reject any Loan Application Package within a prescribed period of time.

- 4.3 If Broker fails to submit a complete Loan Application Package, including all documentation requested or desired by Arc, Arc has the option, in Arc's sole discretion, to (i) approve the Loan Application Package based on the documentation provided, (ii) approve the Loan Application Package subject to submission of additional documentation required prior to closing, (iii) request further information or documentation from Broker, or (iv) reject the Loan Application Package.
- 4.4 Broker acknowledges that Loan Application Packages that are suspended by Arc will be denied after 30 days if Broker does not respond to the suspense conditions.
- 4.5 Broker understands and acknowledges that, pursuant to Title 18, United States Code, Section 1014, it is a crime, punishable by fine, imprisonment or both, knowingly and willfully to falsify or conceal a material fact or make a false statement in a loan application.
- 4.6 Broker maintains anti-money laundering policies and procedures in compliance with 31 C.F.R. 1010 and 1029.

V. APPROVAL AND COMMITMENT OF LOANS

- 5.1 Arc shall notify Broker if a Loan Application Package has been approved by Arc.
- 5.2 Any loan commitment letters for approved Loan Application Packages issued by Arc to Applicants shall be effective only if executed by the appropriate authorized individuals as are granted loan signature authority by Arc. Notwithstanding any provision of this Agreement to the contrary, whether any Loan shall be made, and if so, in what amount and under what terms, is in the sole discretion of Arc, and Arc, in its sole discretion, shall have no obligation whatsoever to approve or fund any Loan which is not approved in writing by authorized representatives of Arc.

VI. BROKER COMPENSATION

- 6.1 Nothing shall be owed to Broker by Arc unless a Loan Application has been approved by Arc and the related Loan has been closed and funded by Arc.
Any fees, commissions or other consideration to which Broker may be entitled will be paid by Arc to Broker in the event a Loan Application Package submitted by Broker to Arc is approved and the related Loan is funded by Arc. Such compensation will be paid by Arc upon confirmation of Loan Closing; however, such compensation shall be in accordance with customary broker fees for that type of loan in the applicable market at the particular time.

VII. INDEPENDENT CONTRACTOR

- 7.1 Broker is an independent contractor and shall make no oral or written representation which has or may have the effect of leading any person to believe that Broker is an agent, employee, representative, partner, or co-venturer of Arc, or that Broker has the authority to make any contract, create any contractual obligation or bind Arc in any way. Broker shall promptly give notice of the foregoing limitation to each Applicant assisted by Broker for whom Broker intends to submit a Loan Application Package to Arc.
- 7.2 Broker may not represent that Broker's office is an office or branch of Arc, and may

not use any sign, letterhead, business card, check, or other identification which implies that Broker's office is an office or branch of Arc or that Broker is an agent or representative of Arc.

- 7.3 Broker may not use the designation "Agent" when referring to Broker's relationship with Arc. Broker may not refer to Arc in any solicitation including, without limitation, advertising or mailing, without prior consent of Arc, which consent may be given or denied at Arc's sole discretion. Any such consent shall not be deemed consent for any subsequent solicitation. Broker shall promote Arc's reputation and will refrain from and avoid committing any act or deed which will in any way be detrimental to or reflect negatively on Arc's name and reputation.
- 7.4 In the event Broker employs any person or persons, all such employees are employees of the Broker and Arc shall not be responsible for the actions of such employees.
- 7.5 Broker shall be responsible for all of Broker's operational expenses, including, without limitation, office expenses, salaries for employees, insurance premiums, office equipment, appraisal, and all costs and expenses of processing loans. Arc is not obligated or responsible to pay or reimburse Broker for any costs or expenses incurred in Broker's business operations or in the Loan Application Package process.

VIII. AFFILIATED SETTLEMENT SERVICE PROVIDERS

- 8.1 Broker acknowledges and agrees to: (i) immediately notify Arc of any Affiliated Settlement Service Providers and (ii) identify all fees paid to Affiliated Settlement Service Providers on all Loan Application Packages and Closing Document Request Forms.
- 8.2 Broker understands and acknowledges that it must receive prior written approval from Arc and complete a separate certification document, which will be provided by Arc to Broker upon request, prior to utilizing any Affiliated Settlement Service Providers. To be approved, Broker understands that additional financial and disclosure requirements may be required. Arc maintains the right to change from time to time, the additional requirements for approval to use Affiliated Service Providers in connection with their Loans.
- 8.3 Broker must notify Arc of all Affiliated Settlement Service Providers irrespective of whether Broker plans on using its Affiliated Settlement Service Providers. Broker must provide Arc with such notice, by way of Arc certification document, before: (a) Broker closes any loan that involves the use of any Affiliated Settlement Service Provider; or (b) within 10 days of any changes or additions made to the Brokers Affiliated Settlement Service Providers, whichever is sooner.
- 8.4 Broker acknowledges and agrees that failure to comply with Section VIII constitutes an event of default under this Agreement.

IV. FINANCIAL STATEMENTS OF BROKER

- 9.1 Broker shall, upon request but at least annually, submit to Arc financial statements for the most recent 12-month period that accurately and completely disclose any material adverse changes that have occurred and that otherwise are satisfactory to Arc.

- 9.2 Broker's financial Information shall be used by Arc for monitoring of Broker's performance only and will be held in strictest confidence by Arc.

X. AUTHORIZATION TO OBTAIN BUSINESS CREDIT REPORT

- 10.1 Broker authorizes Arc to obtain a business credit report with respect to Broker upon mutual execution of this agreement.
- 10.2 Arc may update such business credit report at annual re-certification of Broker's approval with Arc or from time to time in Arc's sole discretion.

XI. THIRD-PARTY VENDORS

- 11.1 Broker shall ensure that all third-party vendors' procedures comply with all applicable federal, local and state laws, rules, ordinances and regulations.
- 11.2 Broker shall provide documentation of Broker's existing third-party vendor relationships and Broker's third-party vendor management policies, procedures and documentation to Arc upon request. Arc reserves the right to require the discontinuation of any third party vendor with respect to any loans submitted to it for funding or approval.

XII. REPRESENTATIONS AND WARRANTIES REGARDING BROKER

Broker represents and warrants to Arc that, as of the related funding date (or such earlier date as required by the Arc guidelines or applicable law), for each Loan:

- 12.1 To the extent required by applicable federal and/or state laws, rules, and/or regulations, Broker and Broker's agents have and will maintain an NMLS Registration and all qualifications and licenses necessary to act as a mortgage loan originator, as defined under the SAFE Act, and to undertake the transactions contemplated by this Agreement. Broker represents and warrants that Broker holds all required qualifications and licenses in Broker's own name and that Broker is in good standing with all state, local, federal or applicable regulatory agencies. Broker will notify Arc immediately when any such qualification or license lapses, is suspended or revoked, or an agency takes any action against Broker which in any way adversely affects Broker's license(s).
- 12.2 If the Broker is in the form of a Partnership, LLC, or Corporation, it is duly organized, validly existing and in good standing under the laws of the state in which the entity was formed and has the requisite power and authority to enter into this Agreement.
- 12.3 This Agreement and all actions covered herein have been duly authorized by Broker's Board of Directors, if Broker is a corporation, or by such individual or individuals empowered and authorized to enter into agreements on behalf of Broker. Broker shall provide Arc with evidence reasonably satisfactory to Arc of such authorization. The performance of Broker's duties under this Agreement will not violate the provisions of Broker's organizational documents, any agreement to which Broker may be a party, or any court order, judgment or decree to which Broker may be subject.
- 12.4 Broker will make no oral or written statement to any Applicant which is not consistent with the facts and provisions set forth in this Agreement and the standard form documents of submission and collateral materials provided by Arc, as such may be

amended from time to time.

- 12.5 Except as previously disclosed by Broker to Arc in writing before the submission of any Loan Application Package, there is not pending or, to the best of Broker's knowledge, threatened, any suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation (including an allegation of fraud by another lender) against Broker or Broker's current or former owners, agents, or employees which could have a materially adverse effect on Broker's business, assets, financial condition, operations or reputation. Broker further certifies that there are no federal or state sanctions pending against Broker.
- 12.6 Broker shall implement and maintain a sufficient document retention program for Loans submitted to Arc, regardless of whether such loan is actually funded by Arc. Such document retention program shall, at a minimum, provide for the retention of documents related to Loans for the time frame that is required to comply with applicable federal and state laws. To the extent Broker retains, or is required to retain, possession of any document related to a Loan and Arc determines that it needs such document, upon request of Arc, Broker shall promptly provide such document to Arc.
- 12.7 Broker shall conduct periodic quality control reviews of its brokering and origination operations and upon request of Arc, provide copies of its findings to Arc. Arc shall have the right, in its sole discretion, to review any and all of Broker's files (either at Arc's offices or Broker's offices) relating to Loans for quality control purposes. Broker agrees to make such files available to Arc for inspection upon written notice from Arc. In addition, Broker shall permit Arc or Arc's primary state or federal regulator to conduct quality control reviews of Broker's brokering and origination operations. Broker agrees to assist Arc in conducting any such audit and/or review and to provide Arc with any information or documents in Broker's possession that Arc may reasonably request. Broker further acknowledges that any failure to cooperate in any such audit and/or review or any discrepancies found by Arc during such audits and/or review may result in termination of this Agreement.
- 12.8 During the term of this Agreement, Broker shall reasonably cooperate with Arc, and any regulatory authorities supervising Arc or any of Arc's assigns, and furnish to Arc such documents, information, periodic, special, or other reports or information, and copies or originals of any documents requested by Arc related to any Loan. Further, Broker shall execute and deliver all such instruments and documents and take all such action as Arc may reasonably request from time to time, in order to effectuate the purposes and to carry out the terms of this Agreement.

XIII. REPRESENTATIONS AND WARRANTIES REGARDING THE LOANS

Broker represents and warrants to Arc that, as of the related funding date (or such earlier date as required by the Arc guidelines or applicable law), for each Loan:

- 13.1 Broker shall, both in the conduct of Broker's business generally, and in Broker's handling of each Loan Application Package and the preparation of related documents and materials in particular, comply fully, completely and in a timely manner with every requirement of all applicable federal, local and state laws, rules, ordinances and regulations, including amendments to same, dealing with the origination of

commercial mortgage loans, including, without limitation, the following:

(a) the Equal Credit Opportunity Act; (b) the Real Estate Settlement Procedures Act; (c) the Fair Credit Reporting Act; (d) Fair Lending Laws; (e) any applicable state acts, codes, rules and/or regulations; and (f) to the extent applicable, all rules, requirements and regulations of the CFPB applicable to business purpose loans, and any other applicable state agencies and/or administrative authorities. Broker shall not name Arc in any disclosure statement or other document or instrument except as required by law as the lender or creditor, or otherwise.

- 13.2 Each Loan Application Package submitted to Arc will be complete and prepared in accordance with Arc's current guidelines, terms, conditions, policies and procedures, applicable laws, and Broker shall assume all responsibility for remedying any deviation, deficiency or defect prior to the funding of any Loan by Arc.
- 13.3 No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to a Loan has taken place (i) on the part of Broker, the Mortgagor, or any other person, including, without limitation, any appraiser, builder, developer, escrow agent, closing or settlement agent, closing attorney, realtor, title company or any other party involved in the solicitation or origination of the Loan or in the determination of the value of the Mortgaged Property or the sale of the Mortgaged Property, or (ii) that would impair in any way the rights of Arc in the Loan or Mortgaged Property or that violated Applicable Law. The Applicant has not made any representations to the Broker that are inconsistent with the Loan Application Package. Broker has reviewed all of the Loan Application Package documents and has made such inquiries as it deems necessary to make and confirm the accuracy of the representations set forth herein, including but not limited to ensuring that the no Applicant, nor any person directly or indirectly obligated for such Loan or the family or a person obligated on such Loan, is or intends to reside on the Mortgaged Property.
- 13.4 Broker acknowledges that all Loans closed under this Agreement become the property of Arc and that Broker has been compensated for Broker's involvement therein and relinquishes all claims and rights to such Loans. Broker further agrees not to solicit for refinance any Loans closed by Arc under this Agreement for a period of six (6) months from the date of closing.
- 13.5 No statement, representation or document made or submitted to Arc in connection with this Agreement or any Loan Application Package is untrue, inaccurate or misleading in any respect whatsoever, or omits any material fact necessary to make any statement or information included therein true, accurate and understandable, and Broker will immediately report to Arc any known or believed to be false, inaccurate, altered or forged statement, representation or document which may come to Broker's attention. The statements and representations in this Agreement and all Loan Application Packages submitted to Arc are made on an on-going basis and shall be true, complete, and accurate throughout the term of this Agreement.
- 13.6 Each Loan Application Package submitted by Broker to Arc is for a business purpose mortgage loan, and no Applicant or family relationship thereof will reside in the Mortgaged Property.
- 13.7 The Applicant intends to rent or lease the Mortgaged Property to a person who is not

- a family member on fair market value terms and conditions.
- 13.8 Except as otherwise disclosed to Arc in writing before the submission of any Loan Application Package, Broker shall have no direct or indirect ownership interest in any property acting as security for the Loan.
- 13.9 All documents submitted by Broker in connection with Loans and Loan Application Packages submitted to Arc are in every respect valid and genuine, being what on their face they purport to be, and all information (credit or otherwise) submitted in connection with such Loans and Loan Application Packages is true and accurate.
- 13.10 No circumstances or conditions with respect to any Loan, Mortgaged Property, mortgage, or borrower's credit standing can be reasonably expected to cause any governmental, quasi-governmental, or private institutional investors to regard any Loan as an unacceptable investment, cause any Loan to become delinquent, or adversely affect the value or marketability of any Loan.
- 13.11 Broker hereby agrees to comply with all applicable federal, local and state disclosure requirements, including but not limited to, RESPA.
- 13.12 Broker shall provide all documentation requested by Arc, which Arc may need to establish a funded Loan's compliance with all federal, local and state laws, rules, ordinances and regulations.
- 13.13 If Broker submits a Loan Application Package to Arc, Broker will not submit an application for a mortgage loan to be secured by the same intended Mortgaged Property to any lender other than Arc until the earlier of (i) the date Arc declines the Loan Application Package, or (ii) seventy-five (75) days after the date of such submission.

XIV. REPURCHASE

- 14.1 Broker agrees to repurchase from Arc any Loan resulting from an application subject to this Agreement upon the terms and conditions set forth herein, in the event that:
- (a) Arc determines that Broker failed to observe or perform or has breached or breaches, or it has been alleged that Broker has breached, any of the representations, warranties, covenants, obligations or agreements contained in this Agreement or any applicable requirements with respect to any Loan; (b) Arc receives a repurchase notification from any third party investor of alleged fraud and determines the repurchase request is based on actual fraud or misrepresentation with respect to the Loan; (c) Arc independently determines that Broker or any third party committed fraud or misrepresentation with respect to the Loan or otherwise aided, abetted or assisted in the commission of fraud or misrepresentation by any third party with respect to the Loan. Broker shall repurchase any Loan required to be repurchased pursuant to this Agreement within fifteen (15) calendar days after Broker's receipt of written demand for repurchase from Arc. The repurchase price for any Loan that Broker is required to repurchase hereunder shall be an amount equal to the sum of: the then unpaid principal balance of the Loan; (b) accrued interest through the date of repurchase; (c) all unreimbursed advances and extraordinary costs and expenses incurred by Arc with regard to such Loan during the life of the Loan; (d) all other costs, or expenses incurred by Arc, including penalties incurred by Arc from any investor, or

servicer and reasonable attorneys' fees incurred in connection with the repurchase; and (e) any fees paid by Arc, including but not limited to all fees and costs paid to Broker and/or other parties for goods and services rendered in connection with the origination and closing of the Loan. Upon any such repurchase of a Loan by Broker, Arc shall endorse the Note and shall assign the mortgage in recordable form to Broker, without representations and warranties, whether express or implied, and without recourse to Arc.

- 14.2 Upon determination of its right to demand repurchase under Section 14.1 Arc shall promptly provide Broker with a written repurchase demand. Any delay or passage of time before making such demand shall not constitute a waiver by Arc and nothing contained in this section shall limit Arc's rights to any remedy, legal or equitable; all such legal and equitable remedies, including those provided for herein, being cumulative, in addition to and not in lieu of any other remedy. Any amount owed by Broker to Arc may be offset by Arc against funds due Broker.

XV. INDEMNIFICATION AGAINST LOSS

- 15.1 Broker hereby agrees to indemnify, hold harmless and defend Arc, its agents, directors, officers, employees, successors, assigns and affiliates (collectively, the "Indemnified Parties") from and against any and all losses, causes of action, liabilities, claims, demands, obligations, damages, costs and expenses, including reasonable attorneys' and accountants' fees arising out of or in connection with (i) any breach or alleged breach of Broker's obligation(s) under this Agreement, (ii) Arc determines that Broker failed to observe or perform any of the representations, warranties, covenants, obligations or agreements contained in this Agreement or any applicable requirements with respect to any Loan; (iii) Arc receives a repurchase notification from any third party investor of alleged fraud and determines the repurchase request is based on actual fraud or misrepresentation with respect to the Loan; (iv) Arc independently determines that Broker or any third party committed fraud or misrepresentation with respect to the Loan or otherwise aided, abetted or assisted in the commission of fraud or misrepresentation by any third party with respect to the Loan, and/or (v) Broker's gross negligence, willful misconduct, or bad faith with regard to any act or failure to act of Broker, its agents, employees, officers or shareholders.
- 15.2 Broker's obligation to fully indemnify Arc under this Agreement shall be in addition to any other rights or remedies under this Agreement, including but not limited to repurchase, and shall not be affected by Arc's taking any of the following actions with or without notice to Broker: (a) liquidation, repayment, retirement, or sale or resale of any Loan; (b) foreclosure of any Loan; or (c) sale or resale of the property securing any Loan.
- 15.3 Broker hereby indemnifies Arc from and against any claims, damages, costs and expenses, including attorneys' fees and court costs, that result from inaccurate or missing disclosures of any kind required to be delivered by Broker, including Broker's failure to accurately or completely identify all points and fees and amounts paid to

Affiliated Settlement Service Providers on a Loan submitted to Arc as a Qualified Mortgage, whether such inaccurate or missing disclosure is discovered by Arc's own procedures or as a result of examination by a subsequent assignee or a governmental agency.

- 15.4 Any cause of action against the Broker relating to or arising out of the breach of any representations and warranties made in Sections 14 and 15 shall accrue as to any Loan upon (i) discovery of such breach by Arc or notice thereof by Broker to Arc, (ii) failure by Broker to cure such breach or repurchase such Loan as specified above, and (iii) demand upon Broker by Arc for compliance with this Agreement.
- 15.5 With respect to any representation or warranty set forth in Sections 14 and 15 that is made to the Broker's knowledge or to the best of the Broker's knowledge, if it is discovered that the substance of such representation or warranty was, as of the time made or deemed made, inaccurate and such inaccuracy materially and adversely affects the value of the related Loan or the interest of Arc in such Loan, Arc shall be entitled to all the remedies to which it would be entitled for a breach of representation or warranty, including without limitation, the repurchase and indemnification requirements contained herein, notwithstanding Broker's lack of knowledge with respect to the inaccuracy at the time the representation was made.
- 15.6 Arc may offset or recoup against any amount due and owing from Arc to Broker, whether pursuant to this Agreement or any other contract or instrument between Arc and Broker, any outstanding amounts owed to Arc by Broker or any affiliate of Broker.

XVI. EARLY LOAN PAYOFF

- 16.1 Notwithstanding Arc's rights under this Agreement, in the event that a Loan is prepaid in full by the borrower within the first six (6) payments, the Broker shall, upon demand by Arc, remit payment to Arc in an amount that equals the premium and/or compensation received by the Broker at the time of the loan funding, from Arc or the borrower, plus any applicable losses, damages, costs or expenses of any nature, including administrative fees from investors and/or attorneys' fees incurred by Arc.

XVII. COMPLIANCE WITH PRIVACY LAWS

- 17.1 In the course of performance of services under this Agreement, either Party may provide to the other nonpublic personal information (the "Information") regarding consumers and customers, as these terms are defined by the Gramm-Leach-Bliley Act, Pub. L. 106-102, and the accompanying regulations, 16 C.F.R. 313.1 et seq., as amended from time to time, and as also may be defined in related state rules and regulations concerning the treatment of nonpublic personal information including but not limited to the California Consumer Privacy Act, as applicable (the "Privacy Laws"). Each Party acknowledges and agrees that they have reviewed, understand and will abide by all requirements of the Privacy Laws with respect to the Information shared in the course of each Party's performance under this Agreement. The Parties' restrictions under this Section include, but are not limited to:

- (a) Neither Party will disclose Information to any third party except as authorized by the Privacy Laws and the disclosing party has taken reasonable steps to ensure that any recipient of the information has a system of controls to prevent unauthorized disclosure in accordance with the Privacy Laws; and
- (b) The Party receiving Information will use it only to carry out the performance of services as required by this Agreement and not for any other purpose.

XVIII. MISCELLANEOUS

- 18.1 **NOTICE OF MATERIAL CHANGES.** Broker hereby covenants and agrees with Arc that Broker shall promptly give written notice to Arc of (a) the occurrence of any breach of Broker's obligations under this Agreement; (b) Any litigation or proceeding affecting Broker involving amounts in the case of any such individual litigation, regardless of the amount in controversy, if adversely determined, could have a materially adverse effect on the business, operations, property, licensure, or financial or other condition of Broker or Broker's ability to perform its obligations hereunder; (c) receipt by Broker of notice from any agency concerning revocation, suspension or any other adverse action or potential action relating to any of Broker's licenses to conduct business; and (d) a materially adverse change in Broker's business, operations, property or financial or other condition.
- 18.2 **TERMINATION.** Arc reserves the right to terminate this Agreement at any time, and for any reason, with or without cause, which termination shall be effective upon the sending of written notice thereof to Broker's current address on file with Arc. In the event of such termination, this Agreement shall remain in full force and effect with respect to all obligations, representations, warranties and covenants of Broker arising under this Agreement or out of or relating to Loans subject to this Agreement. Upon termination, Broker shall, within five (5) days deliver to Arc a mutually acceptable list of any Loan Application Packages submitted to Arc prior to the termination of this Agreement which are either approved for funding or pending further review.
- 18.3 **NOTICE.** Any notice necessary to be given under the provisions of this Agreement will be sufficient if in writing and delivered either personally or by certified mail or nationally recognized overnight carrier to the address on file in each Party's records relating to the other Party. Notices personally delivered or sent by overnight carrier or certified mail shall be deemed received on the earlier of actual receipt or two days after sending.

NOTICES TO ARC SHALL BE SENT TO:

ATTN: Credit Policy
Arc Home LLC
3001 Leadenhall Road, Suite 301
Mount Laurel, New Jersey 08054

With a cc to: General Counsel
Arc Home LLC
3001 Leadenhall Road, Suite 301

Mount Laurel, New Jersey 08054

- 18.4 WAIVER. No provisions of this Agreement may be amended, waived, or modified in any manner without the written consent of both Parties, executed by an authorized officer.
- 18.5 SEVERABILITY. Each part of this Agreement is intended to be severable. In the event any provision of this Agreement shall be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the remaining provisions which shall remain in full force and effect and shall be binding upon the Parties.
- 18.6 HEADINGS. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provisions thereof.
- 18.7 GOVERNING LAW. This Agreement and the rights and obligations of the Parties hereto shall be governed by the laws of the State of New Jersey.
- 18.8 CHOICE OF VENUE. Any suit or proceeding shall be brought in the United States District Court for the District of New Jersey or in the Superior Court of the State of New Jersey, County of Burlington.
- 18.9 ASSIGNMENTS BINDING, BINDING EFFECT. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns; provided, however, that Broker may not assign its right or any interest herein (voluntarily, by operation of law, or otherwise) without the prior written consent of Arc. This Agreement shall not be construed so as to confer any right or benefit upon any person other than the Parties to this Agreement, and their respective successors and assigns.
- 18.10 CONFIDENTIALITY. Broker shall not disclose to any person, other than representatives of Arc or its counsel, any confidential information obtained by it from Arc or about an Applicant or Loan that has been approved by Arc. Broker shall take reasonable measures to avoid any unintentional or inadvertent disclosure of any confidential information to unauthorized parties by its employees or agents.
- 18.11 WAIVER OF JURY TRIAL. In the event of any litigation arising from this Agreement, Arc and Broker hereby agree to waive any rights to a jury trial.
- 18.12 ATTORNEYS' FEES. In the event of a dispute between the Parties hereto, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs.
- 18.13 ENTIRE AGREEMENT; AMENDMENTS. This Agreement constitutes the entire agreement between the Parties and supersedes any and all prior agreements, representations and understandings of the Parties, written or oral. Each Party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any Party, or anyone acting on behalf of any Party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. The terms of this Agreement shall not be modified or amended except by subsequent written agreement of the parties.
- 18.14 COUNTERPARTS. This Agreement may be executed in any number of counterparts,

including facsimile copies, each of which may be executed by less than all of the Parties hereto and each of which shall be deemed an original, with the same effect and enforceability as if the signatures thereto and hereto were upon the same document.

18.15 E-SIGNATURE. It is understood and agreed that documents hereunder may be provided by the Parties or may be executed by the Parties electronically, in compliance with Arc's policies and procedures relating to e-signatures, the federal Electronic Signatures in Global and National Commerce Act (E-SIGN) and, if applicable, the Uniform Electronic Transactions Act (UETA) adopted by the state in which the electronic record (i.e., the contract or other record created, generated, sent, communicated, received or stored by electronic means) relating to such document or disclosure is initiated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed this ____ day of _____, 20__.

ARC HOME LLC

Broker:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____