

תחת נשיאת וועד הרבנים: הרה"ג ר' נחמן יחיאל מיכל שטיינמעץ שליט"א, הרה"ג ר' נפתלי נוסבוים שליט"א, הרה"ג ר' שמואל קמינצקי שליט"א, הרה"ג ר' שריאל ראזנבערג שליט"א, הרה"ג ר' שמואל פורסט שליט"א, הרב אהרן ווידער שליט"א

בס"ד

Heter Iska Instructions

1. Fill out your loan information.
2. Ensure that the Iska is pre-signed by the provider and countersigned by you.
3. **It's important to have at least a basic understanding of how a Heter Iska works**
When you sign a Heter Iska, it restructures the underlying transaction from a loan into an investment. As a result, the funds provided by the bank or mortgage company will be considered an investment in your property, business, or assets. Consequently, the monthly payments will be categorized not as principal and interest but as principal and return on investment, as outlined in the Iska.
4. Keep a copy of the signed Iska for your records.
5. *If you are converting an existing loan into an Iska, or if the loan is originated by a correspondent broker, an additional signature from the provider will be required.

homebridge HETER ISKA K-712.3

HETER ISKA (EXHIBIT A)

Receiver Name:	
Receiver Address:	
Loan ID. #	
Loan Date:	

This offer shall remain open and in full force unless and until it is formally rescinded by the Provider.

Please sign and date this letter on the spaces provided below to acknowledge your acceptance of Provider's offer on the terms set forth in this letter.

Corporation

Print Name: _____ Title: _____

Authorized Signature: _____ Date: ____/____/____

By my execution of this letter, I accept the Heter Iska Offer and all of the terms and conditions above.

Receiver

Signature: _____ Date: ____/____/____

(Co-signer/co-borrower/guarantor)

Name: _____ Address: _____

Signature: _____ Date: ____/____/____

Post-Funding / Correspondent Iska Execution.

To convert an existing loan into an Iska, where this Iska is executed after origination, originated by a correspondent broker, or acquired by the Provider, an additional wet signature by the Corporation is required.

* _____

Print Name: _____ Title: _____

Authorized Signature: _____ Date: ____/____/____

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SECRETARY'S CERTIFICATE

Heter Iska Resolution

The undersigned, _____, hereby certifies that [he/she] is the duly elected and acting Secretary of **Homebridge Financial Services, Inc** together with its divisions, subsidiaries, affiliates, and DBAs, including REMN Wholesale and Real Estate Mortgage Network (hereinafter collectively referred to as the "Financial Institution"), and that, as such, [he/she] is duly authorized to execute and deliver this Secretary's Certificate on behalf of the Financial Institution. [He/She] hereby further certifies on behalf of the Financial Institution that the resolutions set forth in this certificate (the "Resolutions") are correct and complete copies of resolutions of the Board of Directors of the Financial Institution. The Resolutions are the only resolutions adopted by the Board of Directors of the Financial Institution in relation to the subject matter thereof and have not been rescinded, amended or otherwise modified since the date of their adoption and are in full force and effect on the date hereof.

WHEREAS, Homebridge Financial Services, Inc (together with its subsidiaries and affiliates) wishes to engage in certain transactions and financial arrangements or accommodations with certain members of the Jewish faith and community (collectively, the "Transactions"), from time to time;

WHEREAS, the Transactions may be in violation of Jewish law that prohibits transactions and other financial arrangements requiring the payment and acceptance of interest (the "Law of Ribbis");

WHEREAS, after due consideration, the Financial Institution has determined that it is in the Financial Institution's best interest to approve and adopt the execution of the form of Heter Iska Offer (the "Heter Iska") prepared by KFIC Inc. in substantially the form attached hereto as Exhibit A, in order to comply with the Law of Ribbis and conduct business with the people in this community; and

WHEREAS, the Financial Institution has been advised that due execution of the Heter Iska, inter alia, shall permit the Financial Institution to engage in transactions with the people in this community.

NOW, THEREFORE, BE IT:

RESOLVED, that the Financial Institution hereby approves the Heter Iska in all respects;

RESOLVED FURTHER, that the Financial Institution's offer, execution, delivery and performance of the Heter Iska and the consummation by the Financial Institution of the transactions contemplated thereby is hereby authorized and approved;

RESOLVED FURTHER, that any officer or representative of the Financial Institution (the "Signing Officers") be, and they each hereby are authorized, empowered and directed to execute and deliver the Heter Iska; and

RESOLVED FURTHER, that any of the Signing Officers be, and hereby is, authorized, directed and empowered to take all such actions to make, execute and deliver any documents contemplated by the Heter Iska, for and on behalf of and in the name of the Financial Institution and to do any and all

other acts deemed necessary, desirable or in the best interest of the Financial Institution to carry out the intent and to effectuate the purpose of the foregoing resolutions; and

RESOLVED FURTHER, that any and all actions heretofore taken by the Signing Officers with respect to the preparation and negotiation of the Heter Iska, and that are consistent with the foregoing resolutions, are hereby ratified, approved, authorized, confirmed and accepted in all respects as the acts and deeds of the Financial Institution; and

RESOLVED FURTHER, that the Secretary be, and hereby is, authorized, empowered and directed to certify and deliver true and correct copies of these resolutions to any concerned person or entity.

IN WITNESS WHEREOF, the undersigned has executed this Secretary's Certificate on behalf of Homebridge Financial Services, Inc as of this ____ day of _____, _____.

Homebridge Financial Services, Inc

By: _____

Name: _____

Title: Secretary

KFI

HETER ISKA (EXHIBIT A)

Date:	
Receiver Name:	
Receiver Address:	
Loan ID. #	

Re: Heter Iska Offer

1) Offer, Acceptance and Modification:

This Iska Offer constitutes an offer by the Provider to the Receiver to enter into the agreement as described herein. Acceptance of this offer by the Receiver must be in writing. Any modifications proposed by the Receiver shall not form part of the agreement unless expressly accepted in writing by the Provider.

2) Key Definitions:

As used in this Document,

"Beth Din" refers to an Orthodox Jewish rabbinic court affiliated with, or approved by, KFI.

"Iska" and "Iska Agreement" refer to this Heter Iska Offer.

"KFI" shall mean KFIC INC., dba the Kosher Financial Institute, a New York corporation.

"Loan Agreement" refers to the Loan and Security Agreement, along with any related documents, entered into between the Provider and the Receiver pertaining to the Loan ID referenced above.

"Provider" refers to Homebridge Financial Services, Inc.

"Receiver" is the individual indicated above.

"Ribbis" means the interest charged on loans.

"Transaction" pertains to the loan transaction referenced by the Loan Agreement.

3) Iska Investment:

The undersigned parties agree that, to the extent the Transaction may violate the laws of Ribbis, it shall be structured and, where applicable, restructured as an Iska, pursuant to the laws of Heter Iska and the applicable terms set forth in this Iska. Accordingly, all funds advanced by the Provider, referred to in the Loan Agreement as the loan, are provided to the Receiver in exchange for a proportionate interest in the Receiver's profitable businesses, investments, and real estate assets that are Halachically permissible according to all recognized Halachic opinions and deemed most beneficial to the Provider. Any amount due from the Receiver that is subject to compound interest shall likewise be reinvested by the Receiver as additional Iska capital pursuant to this Heter Iska.

Subject to the Receiver's full compliance with all Notification and Verification requirements set forth in this Iska Agreement, the Receiver shall retain 1% of the profits as compensation for managing the investment, and the Provider shall receive 99% of all profits generated by the investment, including any value derived from the use of real estate. Any losses sustained from the investment shall be borne by the Provider, but only to the extent such losses have been properly verified in accordance with all exacting requirements set forth herein.

4) **Profit and Loss Verification:**

Any claim by the Receiver concerning principal loss or the amount of profit shall be valid only upon full and timely compliance with the Notification and Verification requirements below:

- a) The Receiver must notify the Provider and KFI by certified mail within 7 days following any default of payment due pursuant to the Loan Agreement, indicating the lack of profit and/or loss of principal and its intent to verify its claim (the "Notice of Exemption"), time being of the essence. If no such notification is made within the above timeframe, no such claim of loss or lack of profit by the Receiver shall be valid or admissible.
- b) The Receiver's claim of any principal loss will not be valid or accepted unless the claim is **verified** by two valid witnesses as defined by Jewish law. The Receiver bears the responsibility of verifying the amount of profit by giving testimony under **severe oath** before and under conditions acceptable to Beth Din or equivalent evidence.
- c) All claims, whether concerning the loss of principal or confirming profit, must be verified within ninety (90) days of defaulting on any scheduled payments pursuant to the Loan Agreement, subject to additional time if required by Federal or applicable State law. Time being of the essence, and if no such compliant verification had been made within the above time frame, no such claim by the Receiver shall be valid or admissible as evidence and the claim shall have no force or effect. Failure to notify, or verify a claim of loss or profit in the time specified shall be deemed an admission that sufficient profits have been generated and that the Provider shall be entitled to a sum equal to the principal, interest, fees, and all other obligations of the Receiver under the Loan Agreement.
- d) The parties agree that all the evidence presented shall be under the sole and exclusive jurisdiction of a distinguished Beth Din, and such proceeding must be in the presence of the Provider or its designated representative.
- e) The Provider reserves the right, in the event of a loss or lack of profit claim by the Receiver, to demand immediate and full repayment of the remaining Iska principal balance, per the acceleration clause outlined in the Loan Agreement. Moreover, the Provider is entitled to exercise its foreclosure rights, pursuant to the Loan Agreement, unless and until the Receiver has met the verification requirements specified within this Iska agreement.
- f) The principal and profits shall be remitted to the Provider pursuant to the payment schedule outlined in the Loan Agreement. Any principal payments made by the Receiver shall be construed as a pro-rata repurchase of the Provider's share in the Iska investment.

5) **Conciliation:**

- a) To align the Iska payment terms with the Loan Agreement, the parties agree that the Receiver may avoid the mandatory Profit and Loss Verification requirements outlined below, provided all

payments (referred to as "Conciliatory payments") are made in full according to the Loan Agreement's schedule and terms. Upon completion of these payments, the Receiver shall be entitled to any profits exceeding the stipulated payment amount.

- b) Any deductions of principal, or any points, interest, fees, or escrowed funds, whether deducted or paid upfront, that violate the laws of Ribbis shall reduce the principal balance of this Iska. Nonetheless, the Conciliatory payments described in this Paragraph shall remain equal to the total amount due under the Loan Agreement.

6) Co-signer co-borrower guarantor:

It is agreed that any transactions concerning a co-signer or co-borrower that violate the Jewish laws of Ribbis shall also be structured as an Iska, pursuant to this Iska Agreement.

7) Repayment, Selling the Loan Agreement:

To terminate the Iska upon selling the Loan Agreement (Promissory Note) to the secondary market, the Receiver hereby appoints the Provider to act on its behalf to secure a loan from a party not subject to the laws of Ribbis (Substitute Provider) in a manner that does not contravene any Ribbis laws. The Provider shall accept the funds procured to pay off the Iska. Thus, the Receiver will owe the Substitute Provider and be fully bound by the Loan Agreement with this Iska no longer being attached to it. In this event, all Iska terms will cease, and: Receiver shall be obligated to said Substitute Provider under the terms and conditions specified in the Loan Agreement, including being obligated to pay all amounts owed under such Loan Agreement.

It is agreed that any surplus funds from the loan will be retained by the Provider as compensation for their efforts and brokerage service.

8) Mutual Representations and Warranties:

- a) Each party hereto represents and warrants to the other party as of the date hereof (which representations and warranties shall survive the execution and delivery of this Agreement) as set forth below:
- b) Power and Authority. Each party hereto represents to the other party, on its own respective behalf, that (i) it has full power and authority to enter into this Iska Agreement, to incur the obligations as contemplated hereby, and to carry out the provisions of this Iska Agreement; and (ii) it has taken all action necessary for the execution and delivery of this Iska Agreement and for the performance of each of its obligations hereunder, as evidenced by corporate resolution(s) or other authorization.
- c) Enforceability. Each party hereto represents to the other party, on its own behalf, that upon execution by each of the parties hereto, this Iska Agreement shall be the legal, valid and binding obligations of such party and shall be enforceable against such party in accordance with their respective terms.

9) Arbitration:

Any dispute or controversy arising out of or relating to the interpretation or validity of this Iska Agreement shall, to the extent permitted by applicable law, be determined by arbitration before a Beth Din in

accordance with Jewish law. Any award rendered in such arbitration shall be final and binding, and judgment thereon may be entered in any court of competent jurisdiction. To the extent any provision of this Iska Agreement requiring submission to Beth Din is prohibited by applicable law, such submission shall not be mandatory. Instead, after a Ribbis-related or Halachic dispute, claim, or controversy requiring determination by a Beth Din for compliance with Jewish law has arisen, the Provider hereby irrevocably offers to submit such matter to Beth Din. The Receiver may voluntarily accept such offer in writing after the dispute has arisen, at which time the parties shall be deemed to have entered into a voluntary post-dispute Beth Din submission agreement. The Receiver shall remain free to decline the offer and pursue any claim, defense, or remedy in a court of competent jurisdiction.

10) Entire agreement:

This Iska Agreement shall supersede any and all prior, contemporaneous, or subsequent agreements, written or oral, between the parties hereto with respect to the subject matter contained herein. In case of conflict between any of the terms and conditions of this Iska Agreement and the Loan Agreement, the terms and conditions of the Iska Agreement shall control and prevail. All terms and conditions contained in the Loan Agreement, including but not limited to the payment amount, term, and method, which do not contradict this Iska Agreement, are hereby incorporated by reference and made a part hereof. Furthermore, the terms of this Iska Agreement shall not supersede any Jewish law-compliant Iska personally signed between the Provider and Receiver.

11) Binding agreement:

- a) It is expressly agreed that if, for any reason, the Provider or Receiver is not familiar with the Iska concept, the Iska terms will nonetheless prevail, and each party shall enjoy all rights and bear all obligations assigned to the Provider or Receiver under this Iska Agreement.
- b) If any part, term or provision of this Iska Agreement is determined to be invalid, illegal or unenforceable for any reason, such determination shall not affect the remainder of this Iska Agreement, which shall continue to be in force.

12) Law:

This Heter Iska Agreement is a legally binding material inducement between the Provider and Receiver, and its terms have been finalized through an Agav Sudar binding procedure, as established by our sages of blessed memory, before a distinguished Rabbinical Court. This Agreement is not merely a simple assurance nor a standard form of contract; rather, it has been duly confirmed, validated, and established as a binding obligation upon the parties.

[Remainder of page intentionally left blank]

This offer shall remain open and in full force unless and until it is formally rescinded by the Provider.

Please sign and date this letter on the spaces provided below to acknowledge your acceptance of Provider's offer on the terms set forth in this letter.

Homebridge Financial Services, Inc

Print Name: Title:

Authorized Signature: Date: ____/____/____.

By my execution of this letter, I accept the Heter Iska Offer and all of the terms and conditions above.

Receiver

Signature: Date: ____/____/____.

(Co-signer/co-borrower/guarantor)

Name: Address: _____

Signature: Date: ____/____/____.

Post-Funding / Correspondent Iska Execution.

*To convert an existing loan into an Iska, where this Iska is executed after origination, originated by a correspondent broker, or acquired by the Provider, an additional signature by the **Homebridge Financial Services, Inc** is required.*

Print Name: Title:

Authorized Signature: Date: ____/____/____.