


**Rabbinical Board**  
 R' Aron Wieder  
 R' Sarel Rosenberg  
 R' Shmuel Fuerst  
 R' Shmuel Kamenetsky  
 R' Yechiel Mechel Steinmetz

**בסיעתא דשמיא**

**חברי רבנים**  
 הר"י אהרן ווידער  
 הר"י נחמן יחיאל מיכל שטיינמעץ  
 הר"י שמואל פורסט  
 הר"י שמואל קאמנעקי  
 הר"י שריאל רוזנברג

## 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.


**HETER ISKA K-815-L**

**HETER ISKA (Loans)**  
 For loans, not for deposit and savings accounts.

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

**Apple Bank**

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Receiver**

Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

**(Co-signer/co-borrower/guarantor)**

Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

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HETER ISKA K-815-L
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## HETER ISKA (Loans)

For loans, **not** for deposit and savings accounts.

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

**1) 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" mean this Heter Iska Agreement.

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

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

"Provider" means Apple Bank, together with any of its successors, subsidiaries, affiliates, divisions, trade names, and doing-business-as (DBA) names, including any entity or brand under which the Bank may operate now or in the future.

"Receiver" is the individual indicated above.

"Ribbis" means the interest charged on loans.

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

**2) Iska Investment:**

The Provider and Receiver mutually agree that any Transaction, whether entered into before or after the effective Date, shall, to the extent such Transaction may violate the laws of Ribbis, be governed by this Heter Iska and shall be structured, or where applicable restructured, as an Iska investment pursuant to the laws of Heter Iska and the applicable terms set forth herein. Thus, 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 stake in the Receiver's Halachically permissible investments deemed most beneficial to the Provider.

**3) 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, points, interest, fees, or funds advanced in escrow that violate Jewish law regarding interest 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.

4) **Profit and Loss Verification:**

Any claim of an Iska investment loss or lack of profits by the Receiver shall proceed as follows:

- 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) Upon successfully fulfilling all Notification and Verification requirements specified within this Iska Agreement, the Receiver shall be entitled to 1% of the profits, while the Provider shall receive 99% of all profits arising from said investment, including the value derived from the use of any real estate. Likewise, losses sustained from the investment shall be allocated to the Provider only if all obligatory Notification and Verification requirements have been properly fulfilled. Even so, under no circumstances shall the Provider's liability exceed the amount originally invested.

- g) 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) 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.

**6) 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.

**7) 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.

**8) 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 law, be determined by arbitration administered by Beth Din in accordance with Jewish Law. Judgment upon any award rendered in such arbitration will be binding and may be entered in any court having jurisdiction thereof.

**9) Entire agreement:**

This Iska Agreement shall supersede any and all prior or contemporaneous 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.

**10) 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.

**11) 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]

Please sign and date this letter in the spaces provided below to acknowledge your acceptance of the terms set forth herein.

**Apple Bank**

\_\_\_\_\_  
Print Name: Title:

\_\_\_\_\_  
Authorized Signature: Date: \_\_\_/\_\_\_/\_\_\_.

**Receiver**

\_\_\_\_\_  
Name: Address:

\_\_\_\_\_  
Signature: Date: \_\_\_/\_\_\_/\_\_\_.

**(Co-signer/co-borrower/guarantor)**

\_\_\_\_\_  
Name: Address:

\_\_\_\_\_  
Signature: Date: \_\_\_/\_\_\_/\_\_\_.

