

EQUITY SMART HOME LOANS, INC.

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement is made effective _____, by and between Equity Smart Home Loans, Inc., a California Corporation (“Equity Smart”) and _____ (“Contractor”).

1. Engagement of Contractor. Equity Smart is willing to engage Contractor as an independent contractor to provide services as an independent loan originator. Contractor accepts the engagement as an independent contractor pursuant to the terms herein.

2. Contractor’s Compensation. Contractor shall be paid by Equity Smart at the rate of _____% for funded and closed loans originated by Contractor. This sum shall be paid _____ business days after such loans are funded and closed.

3. Term and Termination. This Agreement shall be effective from the date hereof until _____, unless sooner be terminated as follows:

a. Termination Without Cause. Either party may terminate this Agreement without cause. Any such termination shall be effective immediately upon written notice from either party.

b. Termination With Cause. Equity Smart may terminate this Agreement effective immediately if Contractor breaches a material provision of this Agreement and fails to cure such breach within ten days after notice of such breach is given to Contractor. Equity Smart may terminate this Agreement with no opportunity to cure if Contractor commits any violation of any local, state or federal law, rule, or regulation or violates any provision of Paragraphs 6 or 7 of this Agreement.

c. Return of Property. Upon the termination of this Agreement, Contractor shall return all property belonging to Equity Smart, including but not limited to personal property, equipment, computers, paper and electronic files, records, business records, and the like. All programs and application (remote access to Point) that are licensed to Equity Smart Home Loans and are used by the Contractor will no longer be available after termination.

4. Independent Contractor Relationship. Nothing in this Agreement is intended or shall be construed to create an employer/employee, partnership, or joint venture relationship. Unless expressly stated herein, Equity Smart shall not, by entering into and performing pursuant to this Agreement, become liable for any debt, liability, obligation, loss, or responsibility of Contractor. Contractor shall be solely responsible and liable for compliance with all state and federal laws pertaining to employment taxes, withholding, unemployment compensation, worker’s compensation, and all other employment-related laws in connection with Contractor’s performance under this Agreement.

5. Third Party Agreements and Rights. Contractor represents and warrants that Contractor is not bound by any agreement with any third party (including but not limited to any previous employer) that restricts Contractor's ability or right to enter into this Agreement or to perform the duties set forth herein. Contractor further agrees that Contractor will not use in any manner or disclose to Equity Smart any information in violation of any agreement with or rights of any third party (including but not limited to any previous employer) and that Contractor does not possess any documents or electronic information belonging to any such party.

6. Contractor's License. Contractor warrants and represents that Contractor is duly licensed by the State of California as a _____. Equity Smart relies on this warranty and representation in entering into this Agreement. In addition:

- a. During the Term of this Agreement, Contractor shall continue to be so licensed and remain in compliance with all laws related thereto. Contractor shall at all times keep the license current, and comply with all continuing education requirements at Contractor's sole cost and expense.
- b. In the event of a change in the status of Contractor's license, Contractor shall immediately notify Equity Smart in writing.
- c. If Contractor's license is suspended, revoked or terminated in any manner, this Agreement shall automatically terminate without notice, and Contractor shall not take any further actions under this Agreement or for or on behalf of Equity Smart without Equity Smart's written consent.

7. Duties and Responsibilities of Contractor. Contractor shall at all times abide by the following, which are material terms of this Agreement.

- a. Contractor shall at all times be familiar with and abide by all state, federal and local laws, regulations and administrative codes applicable to loan transactions in the State of California and shall not commit any unlawful act under any law, or violate any applicable regulation or administrative code including but not limited to do not call lists, anti-discrimination laws, restrictions against giving or receiving kickbacks from borrowers, receiving undisclosed referral fees or gratuities from lenders, or giving or accepting a fee or other thing of value for the referral of business to title companies, escrow companies or other service providers.
- b. All documentation (paperwork) for funded loans should be uploaded to Point to complete the closing of a loan.
- c. Contractor understands, acknowledges and agrees that Equity Smart has zero tolerance for (a) loan fraud, (b) wire fraud, (c) alteration of documents, (d) initialing or signing documents in another's name, (e) inserting information or

altering information on a document after the document is signed, or (f) any illegal or unethical behavior of any kind, and that any such conduct by Contractor will be cause for immediate termination of this Agreement.

- d. All Trust Funds shall be handled in compliance with the Business and Professions Code, and all other applicable laws.
- e. Contractor shall not commingle borrower funds with any business or personal funds.

8. Branch Agreements. In the sole discretion of Equity Smart, Contractor may establish and maintain a Branch Office of Equity Smart in the city of _____.

If Equity Smart gives its discretionary consent,

- a. Contractor shall establish, operate and maintain the Branch Office at Contractor's sole cost and expense, including any and all licenses or permits required by the Federal, State or the local governments where the Branch Office is located.
- b. The term of the Branch Agreement shall be _____.
- c. Contractor shall pay Equity Smart the sum of _____ for the right to establish and operate the Branch Office.
- d. Equity Smart shall pay Contractor ____% of the gross loan amount on each closed and funded loan.
- e. The Branch Office may be terminated by Equity Smart for any reason or no reason with thirty days' notice.
- f. The parties shall execute a separate Independent Contractor Agreement for the Branch Office.

9. Processing Fees, Charges for Loans, Miscellaneous Fees. The maximum allowable charge by Contractor for processing any Equity Smart transaction is as follows: Maximum allowable fee on first mortgages is _____. The maximum allowable Total Fee for any transaction other than a first mortgage is \$ _____. The Processing Fees may be changed from time to time by Equity Smart with seven days written notice to Contractor.

Each Contractor will be responsible to pay for the Credit Reports that are requested for their client/customer. Charges for the use of Point and E/O Insurance are also the responsibility of the Contractor and will be paid directly to Equity Smart.

10. Conduct of Contractor's Business. Contractor is solely responsible for all of Contractor's independent contractors and employees, including being responsible to pay any and all salaries, wages, taxes, withholdings, required insurance, and all costs and expenses related thereto.

11. Mediation and Arbitration. Should any dispute arise in connection with this Agreement, the parties agree to first mediate the dispute. If the matter remains unresolved, the dispute shall be submitted to binding arbitration in Los Angeles, California. The parties shall bear their own fees and costs of mediation and arbitration.

12. Reclamation of Fees Upon Loan Prepayment. In the event that any loans are made by Contractor which result in an early payoff penalty, the penalty will be paid by Contractor to Equity Smart.

13. Noncompetition Covenant. Contractor agrees that, during the term of this Agreement and for three years after its termination (for any reason), Contractor shall not directly or indirectly solicit customers of Equity Smart to engage in financings, re-financings, loan modifications or other loans with any entity other than Equity Smart. Any property of Equity Smart used by Contractor during the work performed shall remain the sole and exclusive property of Equity Smart, and shall not be used for any other purpose.

14. Non-disruption of Business Relationships. Contractor further agrees that, during the term of this Agreement and for a period of three years from the date on which this Agreement is terminated, Contractor shall not, directly or indirectly, solicit, induce, encourage, or attempt to cause any employee, independent contractor or other party with whom Equity Smart has a business relationship during the term of this Agreement to end or adversely modify their business relationship with Equity Smart.

15. Confidentiality. The parties recognize and agree that Equity Smart will disclose to Contractor confidential and proprietary information in relation to its business in the course of performance of this Agreement. Contractor acknowledges and agrees that all information, documents, records, files, and other information relating to Equity Smart's business, including, without limitation, the names and addresses of Equity Smart's customers, records, files and information concerning its contracts, payments and clients, and all financial information relating to Equity Smart's business (including but not limited to information concerning Equity Smart's prices for its services) (collectively "Confidential Information") are and shall remain confidential to, and trade secrets of, Equity Smart. Contractor further acknowledges and agrees that any trade secrets, customer lists, service contracts, pricing data and intellectual property (collectively, the "Proprietary Information") are and shall remain confidential and proprietary to Equity Smart. Contractor further agrees that the Confidential Information and Proprietary Information are vital to the business and financial success of Equity Smart and any disclosure or unauthorized use would seriously and adversely affect the business of Equity Smart. Contractor shall not disclose, divulge, communicate or otherwise use any Confidential Information or Proprietary Information without the prior written consent of Equity Smart.

16. Non-use and Non-disclosure. Contractor agrees not to use any Confidential Information of Equity Smart for any purpose other than to evaluate and engage in discussions with Equity Smart regarding their business relationship pursuant to this Agreement. Contractor agrees (a) not to disclose any Confidential Information of Equity Smart to any other person and (b) not to take part in any action where such action may result in the unauthorized disclosure of any Confidential Information to any person or entity. Additionally, Contractor agrees to immediately notify Equity Smart upon discovery that any Confidential Information may have been disclosed.

17. Indemnification and Hold Harmless. Contractor shall indemnify and hold harmless Equity Smart from any loss or expense, including reasonable attorney’s fees, as a result of Contractor’s violation of any term of this Agreement and/or any other conduct by Contractor which results in loss, expense or damage to Equity Smart.

18. Enforceability. If any term or provision of this Agreement is to any extent declared illegal or unenforceable by a court of competent of jurisdiction or arbitrator, then such term or provision shall be considered invalid and the remainder of this Agreement shall not be affected and shall be enforced and construed without regard to the invalid term or provision to the fullest extent permitted by law.

19. Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed and delivered shall constitute an original Agreement, but which shall together constitute one and the same document.

20. Miscellaneous. This Agreement shall bind and inure to the benefit of the parties hereto and their successors and assigns. This Agreement shall be governed by the laws of the State of California. This document contains the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements and understanding concerning the same. No provision of this Agreement may be waived, except by a writing executed by the party against whom such waiver is to be effective. This Agreement may not be amended, except by a writing signed by both parties hereto.

21. Understanding of Agreement. By executing this Agreement in the space provided below, Contractor acknowledges and agrees that Contractor has carefully read this Agreement, understands that it affects important rights of both parties, and understands the meaning and effect of this Agreement and each of its provisions.

Agreed as of the date set forth above.

Contractor – Signature

Printed name

Role

EquitySmart – Signature

Printed name

Role