

EMPLOYMENT AGREEMENT

This Agreement entered into this ____ day _____, _____,

by and between Sterling _____ ("employer"),

and _____ ("employee"). The parties

recite that:

A. Employer is engaged in Mortgage lending and maintains a corporate business premise in _____.

B. Employee is willing to be employed by employer, and employer is willing to employ employee, on the terms and conditions hereinafter set forth. For the reasons set forth above, and in consideration of the mutual covenants and promises of the parties hereto, employer and employee covenant and agree as follows:

1. AGREEMENT TO EMPLOY AND BE EMPLOYED

Employer hereby employs employee as a Mortgage Loan Officer in _____, and employee hereby accepts and agrees to such employment. It is further understood that as a condition of employment, the employee will pursue educational opportunities as directed by the company as they come available. These opportunities will be on the employee's time and no compensation will be provided.

2. DESCRIPTION OF EMPLOYEE'S DUTIES

Subject to the supervision and pursuant to the orders, advice and direction of employer, employee shall perform such duties as are customarily performed by one holding such position in other businesses or enterprises of the same or similar nature as that engaged in by employer. Employee shall additionally render such other and unrelated services and duties as may be assigned to him from time to time by employer. These duties will include but are not limited to, loan solicitation, maintaining budgeted loan production, proper regulatory disclosure, loan processing, record keeping, obtaining loan approval and coordinating loan closings.

3. MANNER OF PERFORMANCE OF EMPLOYEE'S DUTIES

Employee shall at all times faithfully, industriously and to the best of his ability, experience, and talent, perform all duties that may be required of and from him pursuant to the express and implicit terms hereof, to the reasonable satisfaction of employer. Such duties shall be rendered at the above mentioned premises and at such other place or places as employer shall in good faith require or as the interests, needs, business and opportunities of employer shall require or make advisable.

A. The employee is required meet all requirements and maintain, at their expense, all licenses required by state and national regulatory authorities for the performance of their duties.

B. The employee is required to maintain membership in the _____ Association of Mortgage Brokers and to obtain all continuing education required by the company through this association.

4. DURATION OF EMPLOYMENT

The term of employment shall commence on _____, and terminate as provided herein.

5. COMPENSATION, REIMBURSEMENT

Employer shall pay employee and employee agrees to accept from employer, in full payment for employee's services, hereunder, compensation as described herein. For the first three months of employment the employee is entitled to a base salary of _____ per month. Following the initial period the employee will receive an annual base salary of _____ payable at a rate of

_____ per month. In addition to the base salary the employee will be entitled to commissions based on net fees collected from the borrower. For the purposes of this agreement net fees are defined as: broker fees, loan origination fees, and yield spread differentials which are properly disclosed on the HUD 1 Settlement Statement and collected on behalf of _____.

Commissions will be paid on all loans which close and disburse by the 24th of each calendar month for which commissions are payable. No commissions are payable for loans which close or fees that are collected following the last day of employment. The commission will be calculated as follows:

- A. A commission of 40% of the net fees collected over \$5,000 will be paid monthly for all loans originated, processed, and closed by the employee. The commission will follow a sliding scale which has been reviewed by employee.
- B. The employer will deduct all uncollected third party fees due and payable and not paid by the borrower from the gross income due the employee. These fees include but are not limited to appraisal fees, attorney fees, and other fees owed by the borrower but not paid during the course of the transaction.

The company will withhold all appropriate State, Federal, Social Security and Medicare taxes.

Medical insurance is offered to the employee after they have been employed on a full time basis for 3 months. _____ will pay up to _____ per month for the employee's coverage and the balance will be deducted from the employee's monthly salary on the pay period preceding the premium due date.

In addition to the foregoing, employer will reimburse employee for any and all necessary, customary, and usual expenses incurred by him while traveling for and on behalf of the employer pursuant to employer's directions. All expenses must be properly documented according to company directives. The amount will be limited to a total of _____ per month. All additional costs will be paid by the employee.

6. EMPLOYEE'S LOYALTY TO EMPLOYER'S INTERESTS

Employee shall devote all of his time, attention, knowledge and skill solely and exclusively to the business and interests of employer, and employer shall be entitled to all benefits, emoluments, profits or other issues arising from, or incident to, any and all work, services, and advice of employee. Employee expressly agrees that during the term hereof he will not be interested, directly or indirectly, in any form, fashion or manner, as partner, officer, director, stockholder, advisor, employee or in any other form or capacity, in any other business similar to employer's business or any allied trade, except that nothing herein contained shall be deemed to prevent or limit the right of employee to invest any of his surplus funds in the capital stock or other securities of any corporation whose stock or securities are publicly owned or are regularly traded on any public exchange, nor shall anything herein contained be deemed to prevent employee from investing or limit employee's right to invest his surplus funds in real estate.

7. NONDISCLOSURE OF INFORMATION CONCERNING BUSINESS

Employee will not at any time, in any fashion, form, or manner, either directly or indirectly divulge, disclose, or communicate to any person, firm or corporation in any manner whatsoever any information of any kind, nature, or description concerning any matters affecting or relating to the business of employer, including, without limitation, the names of any of its customers, the prices it obtains or has obtained, or at which it sells or has sold its products, or any other information concerning the business of employer, its manner of operation, or its plans, processes, or other data of any kind, nature, or description without regard to whether any or all of the foregoing matters would be deemed confidential, material or important. The parties hereby stipulate that, as between them, the foregoing matters are important, material and confidential, and gravely affect the effective and successful conduct of the business of employer, and its good will, and that any breach of the terms of the section is a material breach of the agreement.

8. OPTION TO TERMINATE ON PERMANENT DISABILITY OF EMPLOYEE

Notwithstanding anything in the agreement to the contrary, employer is hereby given the option to terminate the agreement in the event that during the term hereof, employee shall become permanently

disabled, as the term "permanently disabled" is hereinafter fixed and defined. Such option shall be exercised by employer giving notice to employee by registered mail, addressed to him in care of employer at the above stated address, or at such other address as employee shall designate in writing, of its intention to terminate the agreement on the last day of the month during which such notice is mailed. On the giving of such notice, the agreement and the term hereof shall cease and come to an end on the last day of the month in which the notice is mailed, with the same force and effect as if such last day of the month were the date originally set forth as the termination date. For purposes of the agreement, employee shall be deemed to have become permanently disabled if, during any year of the term hereof, because of ill health, physical or mental disability, or for other causes beyond his control, he shall have been continuously unable or unwilling, or have failed to perform his duties hereunder for thirty (30) days, whether consecutive or not. For the purposes hereof, the term "any year of the term hereof" is defined to mean any period of 12 calendar months commencing on the first day of January and terminating on the last day of December of the current year during the term hereof.

8a. TERMINATION BY THE COMPANY WITH CAUSE

The Company may terminate the employment of the employee at any time by providing written notice of his dismissal stating the cause underlying such dismissal. Cause for dismissal shall include the following:

- A. The conviction of the employee by a court of competent jurisdiction or plea of guilty or nol contendere of a felony.
- B. The commission by the employee of an act of fraud upon or dishonesty toward the company.
- C. The failure of the employee to perform the material duties assigned to him under the terms of the agreement.
- D. The removal from office or termination of the employee by requirement of any governmental authority having jurisdiction over the company.

Upon termination, the employee shall be paid, as full and final severance compensation, his commissions due as provided under Section 5 of the agreement. Any loans not closed at time of severance shall be considered property of the employer.

8b. LOAN FILES AND DOCUMENTS

All loan files, applications, customer lists, names, and documents are the property of the employer and it is the duty of the employee upon termination of employment to relinquish any and all information relating to loan files. This includes, but is not limited to, computer files, disks, original documentation, and photocopies. The employee acknowledges that failure to comply with this provision is a violation of the NC General Statutes and will result in prosecution to the fullest extent of the law.

9. DISCONTINUANCE OF BUSINESS AS TERMINATION OF EMPLOYMENT

Anything herein contained to the contrary notwithstanding, in the event that employer shall discontinue operations at the premises mentioned above, then the agreement shall cease and terminate as of the last day of the month in which operations cease with the same force and effect as if such last day of the month were originally set forth as the termination date hereof.

10. EMPLOYEE'S COMMITMENTS BINDING ON EMPLOYER ONLY ON WRITTEN CONSENT

Employee shall not have the right to make any contracts or other commitments for or on behalf of employer without the written consent of employer.

11. **CONTRACT TERMS TO BE EXCLUSIVE**

The written agreement contains the sole and entire agreement between the parties, and supersedes any and all other agreements between them. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of the agreement or any representations inducing the execution and delivery hereof except such representations as are specifically set forth herein, and each party acknowledges that they have relied on their own judgment in entering into the agreement. The parties further acknowledge that any statements or representations that may have heretofore been made by either of them to the other are void and of no effect and that neither of them has relied thereon in connection with her or its dealings with the other.

12. **WAIVER OR MODIFICATION INEFFECTIVE UNLESS IN WRITING**

No waiver or modification of the agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith. Furthermore, no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting the agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed aforesaid. The provisions of the paragraph may not be waived except as herein set forth.

13. **CONTRACT GOVERNED BY LAW**

The agreement and performance hereunder shall be construed in accordance with the laws of the State of _____.

14. **BINDING EFFECT OF AGREEMENT**

The agreement shall be binding on and inure to the benefit of the respective parties and their respective heirs, legal representatives, successors and assigns.

Executed on the date first above written.

_____, Employer

_____, Employee