

BRANCH NAME: _____



AMERICAN FINANCIAL NETWORK INC.

— FINANCING THE AMERICAN DREAM —

Employment Agreement Loan Officer

The parties to this Loan Officer Employment Agreement are American Financial Network, Inc., hereinafter referred to as "AFN", and _____, hereafter referred to as "EMPLOYEE". EMPLOYEE will be licensed under the agency listed in Addendum B and assigned to the branch listed in Addendum B.

This agreement supersedes any and all other agreements, either oral or in writing, between the parties and contains all of the covenants and agreements between the parties in any manner whatsoever. The parties agree to the following:

ARTICLE I - SCOPE OF EMPLOYMENT

- I. The EMPLOYEE will be a full time employee of AFN and will originate real estate loans for AFN. The EMPLOYEE as such, WILL NOT be involved in any other real estate related activity including, but not limited to:
 - Selling real estate.
 - Originating real estate loans with another organization.
- II. The EMPLOYEE will submit all advertising to AFN for approval prior to placing ads.
- III. AFN will not be liable to the EMPLOYEE for any expenses incurred by him/her or for any of his/her acts and the EMPLOYEE will have no authority to bind AFN by promise or representation. The EMPLOYEE has no authority to make commitments, approve credit, or otherwise bind AFN. Except as expressly provided herein, it is specifically understood and agreed that EMPLOYEE will have no express, apparent, or implied authority to act on behalf of or to bind AFN, with respect to any contract, instrument, form or agreement with the exception of specific mortgage related documents to each loan transaction, including but not limited to FNMA form 1003, HUD form 92900-A and VA form 26-1802a (HUD/VA Addendum to Uniform Residential Loan Application).
- IV. The EMPLOYEE will place any existing or future Licenses issued to him/her with AFN in accordance with all applicable State or Federal Regulations.

ARTICLE II - EMPLOYMENT AND TERMINATION

- I. Employment with AFN is considered to be "at will" with termination by either AFN or the EMPLOYEE allowed at any time for any reason. If the EMPLOYEE terminates their employment or is terminated by AFN, AFN will pay the EMPLOYEE for all loans that close within 30 days of termination. Employee expressly agrees that AFN has the right to offset for any monies due and payable.



ARTICLE III - COMPENSATION

- I. AFN agrees to pay and the EMPLOYEE agrees to accept compensation as set forth in Addendum A.
- II. Company Generated Loans: Employee's compensation for each closed loan transaction on all loans provided to Employee by AFN shall be calculated, as set forth in Addendum A, as _____ bps of the mortgage loan amount on all closed loan transactions that he/she exclusively works and closes.
- III. Self Generated Loans: Employee's compensation for each closed loan transaction on all loans where the lead was generated by Employee shall be calculated, as set forth in Addendum A, as _____ bps of the mortgage loan amount on all closed loan transactions that he/she exclusively originates and closes.

ARTICLE IV – COMPENSATION PLAN

- I. EMPLOYEE agrees that the "basis point" [often denoted as bp or bps] is equal to One One-Hundredth [1/100th] of a percentage point [e.g. 1.25% = 125 bps] of the loan amount.
- II. EMPLOYEE acknowledges that at all times, any and all bonuses, within one calendar year [or within one calendar quarter], is not to exceed Ten percent [10%] of the EMPLOYEE's income for that calendar year.
- III. Bonus plans may not exceed ten percent [10%] of the Basis Point amount of Addendum A. This income is to be determined by the EMPLOYEE's W-2 earning. (See addendum A)
- IV. Any or all bonuses are subject to any business deductions for which EMPLOYEE and AFN agreed upon in this Agreement.
- V. Applicable bonuses are to be paid to EMPLOYEE on a quarterly basis subject to the restrictions illustrated and incorporated by this Agreement and Addendum A.
- VI. AFN branch is to pay EMPLOYEE consistent commission across all residential 1-4 unit loan types based on an established percentage of the principal loan amount.
- VII. EMPLOYEE is aware and agrees to comply with all applicable restrictions imposed by Regulation Z, the Dodd-Frank Act, Anti-Steering Provisions, Consumer Financial Protection Bureau, and other applicable rules, regulations, and laws.
- VIII. A factor (that is not itself a transaction term) is a proxy for a transaction term if it meets two conditions: (i) The factor consistently varies with a transaction term or terms over a significant number of transactions; and (ii) The loan originator has the ability, directly or indirectly, to add, drop, or change the factor when



originating the transaction. EMPLOYEE agrees to voice all concerns regarding payment proxies and understands that the compensation rules may hold EMPLOYEE liable for compensation violations.

- IX. EMPLOYEE is aware that any potential liability arising from an EMPLOYEE's willful intent to purposely vary the terms of a transaction in order to affect compensation will be held solely by such EMPLOYEE.
- X. EMPLOYEE understands that his/her compensation cannot vary in accordance with the terms of the transaction, other than being tied to the loan amount of the transaction.
- XI. By executing this Agreement, EMPLOYEE agrees to indemnify AFN for such acts, when allowed by law, which is in very limited circumstances for willful intent and gross negligence of EMPLOYEE.
- XII. All loans except "brokered loans" not covered by the new compensation rule(s) ("other types of loans") shall include but are not limited to: (i) HELOC or any similar extension of open ended credit; (ii) Commercial loans; (iii) Any other type of loans that are not subject to the Rule. A "brokered loan" is a loan that is originated by an AFN Branch loan officer and that is underwritten and/or funded by a third party lender. EMPLOYEE is aware that AFN requires preapproval by its President, Chief Executive Officer, Chief Operating Officer, Executive Vice President of Operations, Underwriting Manager, or Product Manager for all brokered loans on a case-by-case basis and any such loans must first be declined by AFN product line to be eligible to brokering out and separate broker compensation.
- XIII. All Closed End Credit loans shall be paid according to Addendum A attached and incorporated herein. All Open End Credit shall be paid according to Addendum A attached and incorporated herein.
- XIV. The compensation of an EMPLOYEE may not vary based on pricing concessions. AFN policy does not allow concessions based upon unanticipated or unforeseen expenses associated with the loan. Should AFN allow such concessions due to a future policy change by the company, then ANY expenses allowed to be charged at the end of the loan transaction must be approved and signed off by AFN Chief Compliance Officer and EMPLOYEE. Should AFN permit such expenses, all unanticipated or unforeseen expenses to be charged at the end of the loan transaction MUST be submitted to the Compliance Officer within twenty-four (24) hours of learning of such expenses.
- XV. An EMPLOYEE cannot be paid by the borrower and any other person including AFN for the same transaction. Any compensation paid to an EMPLOYEE by a third party under an agreement with the borrower is considered unallowable borrower paid compensation and subject to restrictions unless: (i) The compensation is "bona fide and reasonable", AND (ii) the compensation is passed through to a non-affiliated third party for services..



- XVI. An EMPLOYEE is to comply with Regulation Z, The Dodd Frank Act, the Consumer Financial Protection Bureau, and any other applicable rules, regulations, and laws regarding compensation and, he/she is prohibited from: (i) giving or receiving any compensation to/from unaffiliated parties to the transaction, including but not limited to: (a) Third Party Referrals for past, present, or future transactions; or (b) any other payment of which AFN is not aware of and has not expressly provided consent.
- XVII. Any modification to the terms included in this Agreement and Addendum A cannot be made without the express written consent of AFN.

ARTICLE V - AUTOMOBILE

- I. If the duties performed by the EMPLOYEE require the regular use of an automobile, the EMPLOYEE will comply with state requirements regarding licensing and insurance, and EMPLOYEE must place AFN as an additional insured under the policy.

ARTICLE VI - FIDUCIARY RESPONSIBILITY

- I. Although most laws don't recognize the lender-client relationship as a fiduciary one, EMPLOYEE will uphold a strict responsibility to their clients to act fiduciarily.

ARTICLE VII - DISPUTE RESOLUTIONS

- I. Mediation. EMPLOYEE and AFN agree to mediate any dispute or claim arising between them out of this Agreement or any resulting transaction, before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If any party commences an action based on a dispute or claim to which this paragraph applies, without first attempting to resolve the matter through mediation, then that party shall not be entitled to recover attorney's fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION OF DISPUTES PROVISION IS INITIALED.
- II. Arbitration of Disputes.
- (a) All claims, disputes, controversies, or disagreements of any kind whatsoever ("claims"), including any claim arising out of or in connection with EMPLOYEE'S employment or the termination of EMPLOYEE'S employment, that may arise between EMPLOYEE and AFN, including any claims that may arise between EMPLOYEE and the AFN'S officers, directors, employees, or agents in their capacity as such, which is not settled through mediation, shall be submitted to final and binding arbitration, subject to respective state law. The arbitrator shall be a retired judge or justice, or an attorney with at least five (5) years of real estate law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in



accordance with Substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title Nine, of the California Code of Civil Procedure. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.

(b) Claims covered by this arbitration provision include, but are not limited to the following: (1) alleged violations of federal, state, or local constitutions, statutes, regulations, or ordinances, including, but not limited to, anti-discrimination and harassment laws; (2) allegations of a breach of a contractual obligation; and (3) alleged violations of public policy.

(c) The following are expressly excluded from this arbitration provision and are not covered by this Agreement: (1) claims related to workers' compensation or unemployment insurance; (2) administrative claims filed with government agencies such as the Equal Employment Opportunity Commission (EEOC), Department of Fair Employment and Housing (DFEH), or the National Labor Relations Board (NLRB); (3) any matter which is within the jurisdiction of a probate, small claims or bankruptcy court; (4) an action for bodily injury or wrongful death; and (5) claims that are expressly excluded by statute or are expressly required to be arbitrated under a different procedure required by AFN's employee benefit plans.

The filing of a court action to enable the recording of a notice of pending action for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the Mediation and Arbitration provisions.

(d) In consideration for and as a material condition of Employee's employment with AFN, EMPLOYEE agrees that final and binding arbitration is the exclusive means for resolving the claims outlined in this Agreement. This Agreement is a waiver of all rights EMPLOYEE may have to a civil court action on any dispute outlined by this Agreement. Accordingly, only an arbitrator, not a judge or jury, will decide the dispute, although the arbitrator has the authority to award any type of relief that could otherwise be awarded by a judge or jury.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR BY JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

I/WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISIONS PROVISION TO NEUTRAL ARBITRATION.

EMPLOYEE _____ AFN _____



ANTI-MONEY LAUNDERING

- I. AFN has implemented an Anti-Money Laundering Policy (the "Policy") in accordance with the Bank Secrecy Act and other related policies and underlying laws and regulations. The Policy requirements include, but are not limited to, reasonable efforts be made to determine a customer's identity; the performance of adequate due diligence; the maintenance of high ethical standards to avoid suspect transactions; and if necessary the cooperation with law enforcement agencies, subject to customer confidentiality constraints. AFN requires that its own organization, its EMPLOYEE and its third party vendors comply with all requirements of the Policy, the Bank Secrecy Act, Anti-money Laundering regulations and Suspicious Activity Reporting requirements as they exist and apply specifically to Non-bank Residential Mortgage Lenders or Originators (RMLO), or from time to time may be amended. EMPLOYEE represents to AFN that EMPLOYEE is fully familiar with the Policy, AFN manual, AFN annual training, and the underlying laws and regulations and understands that AFN is relying on such representation of EMPLOYEE in agreeing to employ EMPLOYEE.

ARTICLE VIII - EMPLOYMENT AND DUTIES

- I. During the Term of this Agreement, EMPLOYEE shall serve as a loan consultant for AFN, and perform such duties as may be assigned by his or her supervisor. EMPLOYEE acknowledges that he or she may perform these duties in a AFN branch location or, at times, outside of said location.
- II. EMPLOYEE shall devote as much time as the EMPLOYEE determines is necessary in fulfillment of his or her duties to the AFN. EMPLOYEE shall perform faithfully the duties to the best of his or her ability and in the best interests of AFN. EMPLOYEE shall comply with all of rules and regulations of the state.
- III. EMPLOYEE's employment shall at all times be governed by the AFN'S employment policies, practices and procedures applicable to inside or outside commission sale employees. An inside commission sales employee works in an AFN office on a daily basis. An outside commission sales employee works outside of the office more than fifty-one (51%) of the time performing sales duties as defined herein.
- IV. EMPLOYEE shall comply with AFN's Anti-Money Laundering Policy (the "Policy") which has been implemented in accordance with the Bank Secrecy Act and other related policies and underlying laws and regulations. AFN requires that its own organization, its employees and its third party vendors comply with all requirements of the Policy, the Bank Secrecy Act, Anti-money Laundering regulations and Suspicious Activity Reporting requirements as they exist and apply specifically to Non-bank Residential Mortgage Lenders or Originators (RMLO), or from time to time may be amended. EMPLOYEE represents to AFN that EMPLOYEE is fully familiar



with the Policy and the underlying laws and regulations and understands that AFN is relying on such representation of EMPLOYEE in agreeing to employ EMPLOYEE.

ARTICLE IX - COMMISSION PLAN

- I. EMPLOYEE acknowledges and agrees that AFN may at its sole and unfettered discretion modify the Compensation Plan at any time in the AFN's sole and absolute discretion.
- II. EMPLOYEE understands and agrees that should the compensation set forth in Addendum A change for any reason during the term of employment, an amended Addendum A will be entered into between AFN and EMPLOYEE.

ARTICLE X - EARNING COMMISSIONS, REDUCTIONS, AND PAYMENT

- I. All commissions shall be deemed earned and payable to EMPLOYEE upon satisfaction of each of the following conditions:
 - a. EMPLOYEE has fully performed and complied with all of the items set forth herein; and
 - b. EMPLOYEE is the sole procuring cause of the loan; and on self-generated leads, or the sole borrower contact on AFN generated leads; and
 - c. Either (1) the procured loan is funded directly by the AFN; or (2) AFN actually receives from a lender other than the AFN compensation for a loan placed with the lender.
- II. Employee acknowledges AFN incurs costs of doing business. AFN costs include, but may not be limited to, appraisal fees, credit report fees, messenger fees and processing fees to fund the loan. EMPLOYEE acknowledges commission may change at any time on a prospective basis should costs increase due to the loan activities of EMPLOYEE.
- III. Earned commissions, subject to any applicable deductions, shall be paid no later than 30 days after the commission is earned.
- IV. EMPLOYEE shall not have a right to any commissions whatsoever in the event employment is terminated for cause, pursuant to Paragraph XVII
- V. Permissible deductions only include the marketing channel. Company and self-generated channel reductions require lead costs and lead sheets to prove it is a self-generated or company-generated lead and must be entered into the Loan Origination System at the time of application.



ARTICLE XI - DETERMINATION OF COMMISSION ELIGIBILITY

- I. EMPLOYEE must complete all of the following steps to be compensated for funded loans:
 - a. Interview the customer;
 - b. Prepare a loan application, which is fully executed;
 - c. Pre-qualify the customer in accordance with the AFN and the lender's standards;
 - d. Meet the AFN'S Quality of Service criteria;
 - e. Meet the AFN'S established Compliance Requirements;
 - f. Abide by the AFN's codes of conduct, and Federal, state, and local law and regulation, such as RESPA and those standards set by the Federal Department of Housing and Urban Development, the state licensing agency or agencies, as each may be modified from time to time.

ARTICLE XII - EXPENSES AND TAXES

- I. EMPLOYEE acknowledges all costs such as messenger, automobile, insurance, travel, parking, entertainment, and promotional incentives shall be non-reimbursable expenses with AFN
- II. EMPLOYEE shall not receive any reimbursement from AFN for business or other expenses unless agreed upon in advance by AFN. EMPLOYEE shall not incur nor pay any expenses if they are not permitted under State or Federal laws or regulations, including but not limited to the Internal Revenue Code, the Real Estate Settlement Procedures Act ("RESPA"), the state financial regulations, or the Real Estate Law of the respective States in which EMPLOYEE holds an endorsement.
- III. AFN shall deduct from EMPLOYEE's compensation any and all applicable payroll taxes, or any amount permitted under AFN'S employee benefit plans or payroll practices for employees in the EMPLOYEE'S category.

ARTICLE XIII - LICENSING & RENEWAL

- I. EMPLOYEE shall complete all educational requirements for proper licensing, at his/her expense, as a prerequisite to the issuance or renewal of his/her real estate or mortgage license based on the respective information from the state regulatory agency according to Addendum B. Furthermore, if EMPLOYEE "for compensation or other monetary gain, arranges, negotiates, or otherwise obtains an extension of consumer credit for another person," employee shall annually complete all educational courses, apply for all exams, renewals, and prerequisites for the issuance and maintenance of a unique identifier from the Nationwide Mortgage Licensing System.



ARTICLE XIV - LIABILITY

- I. EMPLOYEE shall indemnify and hold the AFN harmless from and against any fines, expenses, loss, claim or liability to any third party arising out of or the result of (in whole or part) (i) the EMPLOYEE'S personal liability under this Agreement, (ii) EMPLOYEE'S acts that are not within the course and scope of employment; (iii) EMPLOYEE'S dishonest or willful act; or (iv) EMPLOYEE'S gross negligence.
- II. AFN shall not be obligated to the EMPLOYEE or any third party for any expenses incurred or authorized by the EMPLOYEE without the prior, explicit, written consent of AFN's President or Chief Executive Officer. EMPLOYEE shall not have authority to bind AFN by any promise or representation, unless specifically authorized by AFN's President or Chief Executive Officer in advance and in writing to do so.

ARTICLE XV - EMPLOYEE BENEFITS/EXCLUSIVITY/WAIVER OF BENEFITS

- I. EMPLOYEE and AFN hereby acknowledge and agree that this Agreement does not create or constitute an agency, joint venture, partnership, shareholder or any other relationship other than an employment relationship between EMPLOYEE and AFN.
- II. EMPLOYEE shall not have the right to legally bind the AFN in any way, except as stated in Article I, Section III.
- III. EMPLOYEE acknowledges that he/she works primarily away from AFN's location a majority of every day as an outside salesperson; however, if a full-time inside salesperson, EMPLOYEE acknowledges that he/she is expected to work no more than and no less than 40 hours per week.
- IV. EMPLOYEE'S only remuneration shall be his/her Commissions earned pursuant to this Agreement. Because EMPLOYEE is an outside, commissioned sales person, EMPLOYEE shall have no rights to the benefits of a salaried or hourly employee, including without limitation vacations, paid holidays, sick leave, sick pay, overtime pay, or participation in any other employee benefit plan or similar pay practice.
- V. EMPLOYEE agrees that during the term of employment, which EMPLOYEE will exclusively utilize AFN's resources and systems for all loans generated and will abstain from referring any loans to other competitors of AFN.
- VI. EMPLOYEE acknowledges that AFN offers health benefits to full-time employees. If eligible for health benefits, EMPLOYEE understands monthly premiums will be required.



ARTICLE XVI - AFN'S PROPRIETARY RIGHTS

- I. EMPLOYEE shall not, during the term of this Agreement or after the termination or expiration of this Agreement, or after the termination of employment, for any reason, use or divulge, except in performance of services under this Agreement, any AFN Proprietary Information.
- II. For purposes of this Agreement, "AFN Proprietary Information" shall mean any information relating to the business of AFN that has not previously been publicly released by duly authorized officers of the AFN, and shall include (but shall not be limited to):
 - (i) Information contained in any loan package whether completed or not;
 - (ii) Customer lists;
 - (iii) Lender lists;
 - (iv) All sales plans, programs, materials, and brochures;
 - (v) All AFN manuals;
 - (vi) All training, marketing, and sales materials;
 - (vii) AFN financial information;
 - (viii) Pricing information;
 - (ix) Computer programs (including source code, object code, algorithms and models);
 - (x) Customer information;
 - (xi) Any information that would be considered a Trade Secret as that phrase is defined by applicable State law;
 - (xii) All methods, concepts, know-how or ideas reasonably related to the business of AFN; and
 - (xiii) Confidential information belonging to AFN's customers or clients.
- III. EMPLOYEE agrees to regard and preserve as confidential, all AFN Proprietary Information, whether EMPLOYEE has such information in memory or in writing or other physical form.
- IV. In EMPLOYEE'S performance hereunder, EMPLOYEE shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm, or corporation.
- V. EMPLOYEE expressly agrees that the covenants set forth in this Article are being given to AFN in connection with the engagement of the EMPLOYEE by AFN and that such covenants are intended to protect AFN against the misuse of proprietary information by EMPLOYEE, within the terms stated, to the fullest extent deemed reasonable and permitted in law and equity. In the event that these limitations upon the conduct of the EMPLOYEE are beyond those permitted by law, such limitations, both as to time and geographical area, shall be reduced in scope and effect to the maximum extent permitted by law.
- VI. EMPLOYEE acknowledges that the injury to AFN resulting from any violation by it of any of the covenants contained in this Article will be of such a character that it cannot be adequately compensated by money damages, and accordingly, AFN may, in addition to pursuing its other remedies, obtain an injunction from any court having jurisdiction of the matter restraining any such violation, and no bond or other security shall be required in connection with such injunction.
- VII. It is agreed that all records of accounts of customers, AFN, whether prepared by EMPLOYEE or otherwise coming into his/her possession, shall be the exclusive property of AFN. All such records and any equipment assigned to EMPLOYEE shall be immediately returned to AFN upon termination of this Employment Agreement with AFN.



ARTICLE XVII - NON SOLICITATION

- I. During the period that EMPLOYEE is employed by AFN and, in the event of termination, for one year, to run consecutively, beginning on the last day of the EMPLOYEE's employment with AFN, the EMPLOYEE agrees and covenants not to disrupt or interfere with the business of AFN by directly or indirectly soliciting, recruiting, attempting to recruit, or raiding the employees of AFN or otherwise inducing the termination of employment of any employee of AFN. The EMPLOYEE also agrees and covenants not to use AFN's trade secret information [and/or confidential information] to directly or indirectly solicit the employees of AFN.

ARTICLE XVIII - TERMINATION

- I. Termination. AFN, in its sole discretion, may immediately terminate the employment of EMPLOYEE for the following reasons:
- a. EMPLOYEE defaults on any of the terms or conditions set forth in this Agreement;
 - b. EMPLOYEE becomes more than thirty (30) days delinquent on any payments due to AFN, including without limitation expense related charges;
 - c. EMPLOYEE commits a fraudulent act, including but not limited to intentionally misrepresenting or misleading AFN and/or its subsidiaries, affiliates or lender(s), as to the authenticity of a loan application package;
 - d. EMPLOYEE engages in any dishonest act or act of moral turpitude, or AFN determines that EMPLOYEE has caused a loss to AFN through a willful act or gross negligence.
 - e. EMPLOYEE does not prove to AFN's complete satisfaction that he/she has a current license under the Nationwide Mortgage Licensing System (NMLS) and Registry, and/or does not prove to AFN that the EMPLOYEE is appropriately licensed by the state regulatory agency in which the EMPLOYEE intends to originate loans, and/or does not prove to AFN the required registration with such agencies, and/or does not properly obtain authorization to originate from NMLS or such state agencies.

ARTICLE XIX - NOTICE

- I. All notices or demands shall be in writing and delivered either a) by personal delivery, or b) by certified U.S. mail, postage prepaid, or c) by facsimile. All notices or demands shall be deemed conclusively received upon the earlier of a) actual receipt by the party to whom such delivery is intended or b) forty-eight (48) hours after such notice or demand is either mailed subject to certified mail requiring a signature or sent by facsimile to the party to whom it is intended.



ARTICLE XX - OTHER PROVISIONS

- I. **WAIVER**: A waiver by any party of any term and condition of this Agreement shall not be deemed or construed to be a waiver of such term or condition for the future, or of any subsequent breach thereof, nor shall any custom or practice which may arise between the parties be construed to waive or to lessen the right of either party to insist upon strict performance in accordance with all provisions of this Agreement.
- II. **TRANSFERABILITY**: AFN reserves the right to assign, pledge, hypothecate or transfer this Agreement, any interests herein or arising herefrom.
- III. **CONSTRUCTION**: This Agreement shall be governed by and construed in accordance with the laws of the State of California. In all matters of interpretation, each gender shall include the other, the singular shall include the plural, and the plural shall include the singular. The titles of the paragraphs of this Agreement are for convenience only and shall not affect the interpretation of this Agreement. This Agreement shall not be construed for or against any party based on the fact that one party, or their representatives took responsibility for the drafting hereof. All remedies, rights, undertakings, obligations and agreements contained in this Agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of any party.
- IV. **SEVERABILITY**: If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then and, in that event, the remainder of this Agreement shall not be affected thereby, and in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there shall be added a clause or provision as similar in terms and in amount to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.
- VI. **LOCKS/COMMITMENTS**: AFN will have final approval over the selection of the lender, commitment to deliver, interest rate/price lock, and any written correspondence to the lender for each loan. The EMPLOYEE may suggest the lender of choice.
- VI. **FIRST RIGHT OF REFUSAL**: AFN reserves the right to have first choice to fund all loans originated under the AFN. If AFN is unwilling or unable to fund a loan in-house, prior approval may be given to broker the loan to a wholesale lender approved with AFN. EMPLOYEE understands that commission on either channel shall be subject to Article IV Section XII and according to Addendum A.
- VII. **ENTIRE UNDERSTANDING**: This Agreement contains the entire understanding of the parties relating to the subject matter contained herein and supersedes all prior and collateral agreements, understandings, statements and negotiations of the parties, whether written or oral. Each party acknowledges that no representations, inducements, promises, or agreements with reference to the subject matter hereof have been made other than as expressly set forth herein. This Agreement cannot be changed, rescinded or terminated orally. If in conjunction with a Branch Manager Agreement for a producing branch manager, this Agreement shall supersede for all Loan Officer Duties as described herein.



THE PARTIES TO THIS AGREEMENT REPRESENT AND WARRANT THAT THEY HAVE FULLY READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT. THEY FURTHER REPRESENT AND WARRANT THAT THEY HAVE CONSULTED WITH THEIR RESPECTIVE REPRESENTATIVES FOR ANY PROFESSIONAL ADVICE NECESSARY TO UNDERSTAND THE TERMS AND CONDITIONS CONTAINED HEREIN. BY SIGNING IN THE SPACES BELOW, THE PARTIES INTEND TO BE LEGALLY BOUND.

Loan Officer Name (Typed or Printed)

Loan Officer Signature

Date

Branch Manager Name (Typed or Printed)

Branch Manager Signature

Date

Regional Manager Name (Typed or Printed)

Regional Manager Signature

Date

Executive of AFN (Typed or Printed)

Executive of AFN Signature

Date