



## **LOAN ORIGINATOR AGREEMENT**

This AGREEMENT is made effective by and between “National Lending Corporation,” a corporation that organized and existing under the laws of the State of New Jersey with a principal place of business at 3673 Westcenter Drive, Houston, Texas 77042 (hereinafter referred to as “NLC”) and the undersigned individual (hereinafter referred as “Loan Originator”)

### **RECITALS**

**WHEREAS, Loan Originator is desirous of the business of originating mortgage loans by obtaining and preparing loan application and other materials for NLC on real property from prospective borrowers;**

**WHEREAS, NLC is engaged in the business of originating residential and commercial mortgage loans and processing loan applications.**

**WHEREAS, NLC has offered to Loan Originator compensation as set forth under the terms and conditions in this Agreement and NLC commission schedules as amended from time to time, and Loan Originator is willing to associate and be employed with NLC on such terms and conditions.**

**WHEREAS, Loan Originator acknowledges and agrees the association and employment with NLC is on an exclusive basis in that, representation of other mortgage lenders or brokers by Loan Originator during the term of this Agreement constitutes a material violation of this Agreement and shall be considered a repudiation and termination of this Agreement by Loan Originator.**

**NOW THEREFORE, in consideration of the above recitals, the mutual promises and agreements contained herein are mutually agreed as follows:**

### **SECTION ONE**

#### **RELATIONSHIP AND DUTIES**

**A. Scope and Duties:**

Loan Originator shall and hereby does associate him/herself with NLC to obtain qualified borrowers who will apply to NLC to obtain loans secured by mortgages on their existing real property or proposed purchase of real property. Loan Originator must use the means and manner by which those duties shall be performed, as approved and prescribed by NLC guidelines and

procedures. Loan Originator agrees to comply with all rules, regulations, guidelines, instructions, and procedures, either now in existence or issued from time to time.

B. Professional Standards:

Loan Originator will perform his/her duties under this Agreement in accordance with the laws of the State of Texas, the United States and any other applicable state and/or Municipal Laws, rules and regulations. In particular, Loan Originator covenants that he or she comply with the Federal Equal Credit Opportunity Act, the Fair Housing Home Mortgage Disclosure Act, the Federal Truth-in-Lending Act, and the Real Estate Settlement Procedures Act and its Regulation X. Loan Originator has an obligation to all Borrowers to ensure that Borrowers are advised of the various loan options available prior to obtaining and submitting an application to NLC.

C. Representation of NLC:

Loan Originator agrees that he/she is not authorized to bind NLC in any agreements including, but not limited to agreements for advertising, marketing, promotions, etc. unless specifically authorized in writing by NLC in writing prior to the execution of such agreements. Loan Originator agrees that all promotional material used referencing NLC, its loan products, or pricing must be approved by NLC prior to its distribution and unless otherwise agreed upon in writing by NLC, the cost of the promotional material will be the sole responsibility of the Loan Originator except as set forth herein, Loan Originator shall not have any authority, nor hold out to have any authority, to represent or obligate NLC in any manner whatsoever.

D. Fiduciary Duty:

Loan Originator acknowledges that NLC, as a licensed mortgage lender/broker, may bear the responsibility to third parties for all actions of its employees. Loan Originator hereby acknowledges and agrees that Loan Originator is responsible for the content and quality of each application taken and each loan submitted. Loan Originator understands that the submission of a loan application containing false information is unlawful and is loan fraud. If Loan Originator participates in loan fraud of any kind, consequences that may result to Loan Originator may be criminal prosecution, immediate termination of this Agreement and any and all legal remedies at law or in equity.

E. Advertising and Marketing:

Loan Originator shall have the authority to represent NLC by business cards, advertisements, or other media documents, that Loan Originator is employed by NLC pursuant to obtaining mortgage loan applications. Loan Originator shall not engage in any advertising or any media marketing materials that are not approved by NLC.

F. Other Business Activities:

Loan Originator may engage in other business activities to the extent such other activities do not interfere or conflict with Loan Originator's employment, responsibilities, loyalties, obligations and duties described herein. Notwithstanding the terms of this Agreement, Loan Originator shall not (i) be associated with, or representative of, or enter into an agreement of any kind with any other mortgage brokerage or mortgage banking firm, or ii) originate any real

property mortgage loans except on behalf of NLC . Further, Loan Originator agrees that before engaging in, investing in or being a part of (in any capacity) any other business or business activities that relate to, conflict with, or arise out of the Mortgage Loan industry, Loan Originator shall submit a detailed written request to NLC for permission to engage in, invest in, or be a part of (in any capacity) any such other business or business activities requesting written approval from NLC. If written approval is not given by NLC to the Loan Originator, then it is presumed that the Loan Originator is not permitted to engage in, invest in or be a part of in any capacity said business or business activities, and Loan Originator agrees not to do so.

G. Loan Applications:

NLC, in its sole discretion, may reject any loan application for any reason, and NLC is under no obligation or requirement to process any loan application originated by Loan Originator. NLC shall have sole discretion of determining which lender loan programs it will participate in and which loan applications will be processed.

H. Expenses:

Loan Originator shall promptly pay all expenses relating to the performance of Loan Originator's duties under this Agreement, including but not limited to indebtedness to NLC, Loan Originator shall be solely responsible for all of his/her expenses, including but not limited to travel, entertainment, education, dues, office expenses subscription, licenses, etc., and shall receive no remuneration or reimbursement of any nature whatsoever other than the commissions referred to herein.

I. Licenses:

Loan Originator shall, if required by state law, obtain the appropriate loan officer license (or any other required licenses) in each jurisdiction in which and from which Loan Originator solicits, offers or obtains applications in each jurisdiction, where required by law, in which and from which Loan Originator receives Compensation. Loan Originator will bear the cost of an initial and renewal fees for licensing and registrations. Loan Originator will make payment as instructed by NLC. Loan Originator shall comply with the terms, conditions and restrictions on use contained in any and all license or other contractual agreements between third party owners of any computer software and NLC, pursuant to which NLC has obtained the right to use such computer software. Loan Originator further agrees to comply with the terms of any license or other contractual agreement into which Loan Originator is required to enter with any third party computer software owner.

J. Records:

Loan Originator shall follow company guidelines and policies to maintain accurate and current records of all transactions entered into pursuant to this Agreement. Such books and records shall conform to the requirements of federal and state laws, the rules and regulations of appropriate regulatory agencies, and the policies and procedures of NLC. Loan Originator shall maintain an accurate and current file of all commission statements and other records and correspondences received from NLC and notify NLC in writing within Thirty (30) days after NLC making available such statements, records and correspondence, or any of them is inconsistent with Loan Originator's records or, in the opinion of Loan Originator, not accurate.

All book and records of Loan Originator and all their transactions shall be maintained for a period of at least five (5) years.

K. Background Information:

The Loan Originator agrees that NLC shall have the right to run credit, employment and other financial and background criminal investigations on the Loan Originator at the time NLC deems useful, whether such investigation is conducted by NLC or by an outside service or third party. The Loan Originator consents to such investigations and consents to the disclosure of any person or entity to NLC of any financial, background and employment information conducted by NLC or by an outside service or third party.

L. Photographs:

The Loan Originator irrevocably consents to and forever authorizes the use by NLC or anyone authorized by NLC, its legal representatives or assigns, the absolute and unqualified right to use all photographs in which the Loan Originator has appeared for NLC and reproductions thereof, in which the Loan Originator has been included in whole or part, made through any media without, in which the Loan Originator has been included in whole or part, made through any media without inspection or approval of the finished product or use to which it may be applied, in any manner NLC may desire, factually or fictionally the right to make adaptation of said material of every and any kind and character. NLC may adopt, arrange, change, dramatize, make musical versions of, interpolate in, transpose, add to, and subtract from such photographs and reproductions to such extent as NLC, in its sole discretion, may desire, and in any form and upon any and all adaptations thereof to renew such copyrights. The Loan Originator releases and discharges NLC, its assigns, agents, or licensees from any and all claims and demands and damages of any kind that the Loan Originator may have, which arise out of or in connection with the use of such photographs or reproductions, including but not limited to, any and all claims of libel, slander, and invasion of privacy.

M. NLC's Exclusive Property

Any and all inventions, ideas, improvements, processes, devices, products, new uses, know-how, discoveries, trade secrets, or other information learned, created, discovered or utilized by the Loan Originator resulting from his/her work performed in connection with NLC (including that which Loan Originator alone or jointly with others may conceive, invent, produce, or reduce to practice during his/her work performed in connection with NLC) shall be the exclusive and sole property of NLC and be kept confidential by Loan Originator. Loan Originator acknowledges and agrees the above mentioned shall be the sole and exclusive property of NLC and shall be kept confidential whether patentable or unpatentable. Loan Originator expressly waives any and all rights, interests and claims to any such inventions, ideas, improvements, processes, devices, products, new uses, know-how, discoveries, trade secrets, or other information learned, created, discovered or utilized by the Loan Originator (alone or jointly with others) resulting from his/her work performed in connection with NLC

## SECTION TWO

### GENERAL COVENANT

In the course of Loan Originator's past and future relationship with NLC, and because of the nature of Loan Originator's responsibilities, Loan Originator has previously acquired, and may in the future acquire additional, valuable trade secrets, proprietary data and other confidential information (collectively, "Confidential Information") with respect to NLC's Borrowers, competitors and business. Such trade secrets, proprietary data and other confidential information include but are not limited to the following: NLC's existing and contemplated services, products, business and financial methods and practices, plans, pricing, selling techniques, computer hardware and software systems, and special methods and processes involves in providing services, lists of NLC present and prospective Borrowers, methods of obtaining Borrowers, credit and financial data of the NLC's present and prospective Borrowers, particular business requirements of NLC's present and prospective Borrowers. In addition, Loan Originator on behalf of NLC, has developed, and may in the future further enhance or develop, personal acquaintances and relationships with NLC's present and prospective Borrowers, which acquaintances relationships may constitute NLC's only contact with such persons or entities. As a consequence thereof, the parties agree that Loan Originator occupies or will occupy a position of trust and confidence with respect to NLC's affairs and its products and services. In view of the foregoing and in consideration of the remuneration to be paid to Loan Originator and for his relationship, Loan Originator acknowledges and agrees that it is reasonable and necessary for the protection of the goodwill and business of NLC that Loan Originator make the covenants contained in Section Three herein regarding the conduct of Loan Originator during and subsequent to relationship with NLC, and that NLC will suffer irreparable injury if Loan Originator engages in conduct prohibited thereby. Loan Originator represents that observance of the aforementioned covenants will not cause Loan Originator any undue hardship nor will it unreasonably interfere with Loan Originator's ability to earn a livelihood. The covenants contained herein shall each be construed as a separate agreement independent of any other provision of this Agreement, and the existence of any claim or cause of action of Loan Originator against NLC, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by NLC of any of those covenants.

## SECTION THREE

### **CONFIDENTIALITY; COVENANT NOT TO COMPETE**

A. Acknowledgements by Loan Originator. In consideration of the willingness of NLC to associate itself with the Loan Originator in further consideration of all compensation to be paid to Loan Originator by NLC under the terms and conditions of this Agreement, Loan Originator agrees as follows:

(1) NLC would not have entered into this Agreement if Loan Originator had not agreed to the terms and provisions of this Section;

(2) the covenants not to compete set forth in this Section are fair and reasonable, and will not impose any undue hardship on Loan Originator, because Loan Originator has other considerable skills, experience and education which afford Loan Originator the opportunity to derive income from other endeavors;

(3) the information provided by NLC to Loan Originator is confidential to NLC, and constitutes a valuable, special and unique asset of NLC, with respect to which NLC is entitled to the protections afforded by this Section and to the remedies for enforcement of this Section provided by law or in equity (including, without limitation, those remedies the availability of which may be within the discretion of the court or arbitrator that presides over any action for enforcement of this Section).

B. Confidential Information.

(a) Except in the normal and proper course of performing Loan Originator's duties and exercising Loan Originator's rights, Loan Originator and Loan Originator's owners, officers, directors and Affiliates, shall not use for their own account or in any other business, any Confidential Information which Loan Originator may obtain from NLC, its agents, representatives, employees or Affiliates, or otherwise by virtue of Loan Originator's association with NLC.

(b) Loan Originator shall hold in strict confidence, and shall not disclose to any Person (other than Loan Originator and its employees and agents), any Confidential Information. Confidential Information may only be divulged with the direct written consent of the President of the NLC or if required by a court of law or administrative tribunal, and then only with sufficient prior notice to NLC to enable NLC to seek a protective order.

(c) The foregoing obligations materially affect the successful conduct of the business of NLC and its goodwill. Any breach of the terms of this Section shall constitute a material breach of this Agreement, and, without limitation on other remedies available to NLC, shall constitute immediate grounds for (1) termination of this Agreement and (2) retention by NLC of all sums owed to Loan Originator by NLC.

(d) Upon expiration or termination of this Agreement for any reason, Loan Originator shall remain bound by the provisions of this Section.

C. Return of Confidential Information. Promptly after the termination of the relationship with NLC for any reason and whether or not pursuant to a relationship agreement, Loan Originator will deliver to NLC all originals and copies of all Confidential Information, including but not limited to memoranda, borrowers lists, samples, records, documents, computer programs, computer hard drives and backup drives and other materials requested by NLC which he has obtained from NLC while serving in any such capacity

D. Reasonable Assurances. Loan Originator further agrees to do all things reasonably necessary, including implementation of those procedures which may be contained in the Confidential Operations Manuals, to prevent any of the employees, representatives, agents and Affiliates of Loan Originator from disclosing any Confidential Information to any Person, including requiring each employee, representative, agent and Affiliate of Loan Originator to sign a non-disclosure agreement in a form approved by NLC before being authorized by Loan Originator to have access to such information.

E. Covenant Not to Compete. Loan Originator agrees that (i) during the Term of this Agreement and within a geographic area including the entire United States of America and (ii)

for Two (2) years following the expiration or termination of this Agreement and within a geographic area including each Territory granted to Loan Originator and Five (5) miles from radius from NLC's office the Loan Originator was assigned:

(1) Loan Originator shall not, either directly or indirectly, for himself, or through, on behalf of, or in conjunction with any other Person or cause any other Person to do any of the following:

(a) divert or attempt to divert any business or borrower of NLC to any competitor, by direct or indirect inducement or otherwise;

(b) employ or seek to employ any Person who is at that time employed by or affiliated with NLC or by any other Loan Originator of NLC, or otherwise directly or indirectly induce or seek to induce such Person to leave his or her employment with NLC; or

(c) own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business (including any business operated by Loan Originator prior to entry into this Agreement) specializing, in whole or in part, in providing services and products the same as or similar to any of those offered, sold or provided through NLC or the business of the NLC.

(2) Loan Originator shall not engage in any business or be involved in any operation of the same nature as, or of a similar nature to NCL, including the offering of products and/or services which may be reasonably construed as essentially undifferentiated from those products and or services offered, or actively planned to be offered, by NLC.

(3) Loan Originator shall not accept employment, consult for or participate, directly or indirectly, in the ownership or management of any enterprise engaged in a business similar to or the business of NLC.

(4) Neither Loan Originator, nor any Person with whom Loan Originator is at the time affiliates, shall directly or indirectly, hire or offer to hire or entice away or in any manner persuade or attempt to persuade any officer, employee, agent, representative, supplier or customer of NLC of its Affiliates, or otherwise to discontinue his or her relationship with NLC.

(5) Loan Originator agrees to do all things reasonably necessary to prevent any employees, representatives and agents of Loan Originator from competing with NLC or taking any other action in contravention of this Section including requiring each employee, representative and agent to sign a covenant not to compete in a form approved by NLC before becoming employed by Loan Originator.

F. Remedies. The parties hereto hereby agree that if Loan Originator violates or threatens to violate any of the provisions of this Section it would be difficult to determine the entire cost, damage or injury which NLC would sustain. Accordingly, Loan Originator acknowledges that if he violates or threatens to violate any of the provisions of this Section NLC may have no adequate remedy at law. In that event, NLC shall have the right, in addition to any other rights that may be available, to obtain in any court of competent jurisdiction injunctive relief to restrain

any violation or threatened violation by Loan Originator of any provision of this Section or to compel specific performance by Loan Originator of one or more of his obligations under this Section. The seeking or obtaining by NLC of such injunctive relief shall not foreclose or in any way limit their right to obtain a money judgment against Loan Originator for any damage that may result from any breach by the Loan Originator of any provision of this Agreement.

G. Reformation of Covenants. Loan Originator acknowledges that the covenants contained in Section are reasonable in geographical and temporal scope and in all other respects. If any court determines that any of such covenants, or any part thereof, are unenforceable, then (1) the remainder of such covenants shall not be affected by such determination and (2) those of such covenants that are determined to be unenforceable because of the duration or scope thereof shall be reformed by the court to reduce their duration or scope only to the least extent required to render the same enforceable against the Loan Originator.

H. Non-Solicitation of Borrowers. Notwithstanding any other Section or provision of this Agreement, during Loan Originator's relationship with NLC, and for a period of two (2) years following termination of Loan Originator's relationship with NLC for any reason whatsoever and within the reasonable geographical territory of five (5) miles radius from NLC's office the Loan Originator was assigned and except in the good faith furtherance of the interests of NLC, Loan Originator will not, without the express written consent of NLC, contact prospective borrowers or existing NLC members that the loan officer has come to know because the relationship with NLC, including any person, firm, association or corporation. Loan Originator will not directly or indirectly make any such contact, either for his benefit or for the benefit of any person, firm, association or corporation to make any such contact.

I. Non-Interference. Notwithstanding any other Section or provision of this Agreement, during Loan Originator's relationship with NLC, and for a period of two (2) years following termination of Loan Originator's relationship with NLC for any reason whatsoever, Loan Originator shall not induce or encourage, directly or indirectly, (i) any Loan Originator of NLC to leave his or her relationship, or to seek relationship with anyone other than NLC, unless it has been determined by NLC that such Loan Originator's performance or other characteristics or circumstances are such that Loan Originator's leaving NLC is in the best interests of NLC, or (ii) any Borrower of NLC to modify or terminate any relationship, whether or not evidenced by a written contract, with NLC unless it has been determined by the NLC that such modification or termination is in the best interests of NLC.

## **SECTION FOUR**

### **COMPENSATION**

A. For all services to be rendered hereunder, Loan Originator shall be paid on a commission basis only, in the amounts and at the times set forth on NLC's commission schedules as amended from time to time. Loan Originator's compensation shall be reported on Federal form W-2 as employee compensation, subject to FICA, FUTA, and income tax withholdings as required by federal, state, and local laws. NLC shall, in its sole and absolute discretion, have the right to change, modify, alter, or decrease any commissions payable pursuant to this Agreement; provided, however, that any changes, modifications, alterations, or decreases shall be effective when amended.

B. Any money and value owed by Loan Originator to NLC, any debt, and any money and value which has been advanced or credited by or on behalf of NLC to, or for the benefit of, Loan Originator, represents a loan and may be offset and deducted by NLC from any commissions or other money or value then or thereafter owed by NLC to Loan Originator pursuant to this Agreement or owed by NLC to Loan Originator. NLC is hereby authorized by loan Originator to deduct from commissions due the amount of any commissions paid to Loan Originator in connection with any payment or amount that NLC refunds to Loan Originator's Customer.

C. Except as set forth above, Loan Originator shall receive no other compensation of any kind whatsoever under this Agreement. Loan Originator will not receive any fringe benefits under this Agreement whatsoever, including but not limited to insurance benefits, disability income, paid vacation, expense reimbursement or retirement benefits unless otherwise specifically provided for in this Agreement.

## **SECTION FIVE**

### **INDEMNIFICATION**

Loan Originator shall indemnify NLC for and hold it harmless from and against any and all claims, losses, liabilities, damages, taxes, penalties, fines, forfeitures, reasonable and necessary legal fees and expenses, judgments, and other costs and expenses that NLC may sustain arising and/or resulting from any claim, demand, defense or assertion based on or grounded upon, or resulting from a breach of any representation, warranty, or covenant by Loan Originator under this Agreement.

## **SECTION SIX**

### **ARBITRATION**

A. Mediation.

THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT (INCLUDING ANY EXHIBIT AND ATTACHMENTS), THE AGREEMENTS CONTEMPLATED HEREBY OR THE RELATIONSHIP CREATED BY THIS AGREEMENT TO NON-BINDING MEDIATION PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED THROUGH A MEDIATOR AGREED TO BY ALL THE PARTIES, RULES AT NLC'S CORPORATE HEADQUARTERS IN HOUSTON, TEXAS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING COMPENSATION AND EXPENSES OF THE MEDIATOR (AND EXCEPT FOR THE ATTORNEYS FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN THE MATTER SHALL BE SUBMITTED TO ARBITRATION IN ACCORDANCE WITH THE SECTIONS BELOW TO RESOLVE SUCH CLAIM, CONTROVERSY OR DISPUTE UNLESS SUCH TIME

PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES. NOTWITHSTANDING THE FOREGOING, NLC MAY BRING AN ACTION (1) FOR MONIES OWED, (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (3) INVOLVING THE POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY IN A COURT HAVING JURISDICTION, WITHOUT FIRST SUBMITTING SUCH ACTION TO MEDIATION OR ARBITRATION.

B. Arbitration

(1) EXCEPT AS PROVIDED IN THIS AGREEMENT, NLC AND LOAN ORIGINATOR AGREE THAT ANY CLAIM, CONTROVERSY OR DISPUTE ARISING OUT OF OR RELATING TO THE BUSINESS, LOAN ORIGINATOR'S ESTABLISHMENT OR OPERATION OF THE BUSINESS UNDER THIS AGREEMENT (AND ANY AMENDMENTS THERETO) INCLUDING, BUT NOT LIMITED TO, ANY CLAIM BY LOAN ORIGINATOR, OR PERSONS CLAIMING ON BEHALF OF LOAN ORIGINATOR, CONCERNING THE ENTRY INTO, THE PERFORMANCE UNDER OR THE TERMINATION OF THE AGREEMENT, OR ANY OTHER AGREEMENT BETWEEN NLC, OR ITS AFFILIATES, AND LOAN ORIGINATOR, ANY CLAIM AGAINST A PAST OR PRESENT OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF NLC, INCLUDING THOSE OCCURRING SUBSEQUENT TO THE TERMINATION OF THIS AGREEMENT, THAT CANNOT BE AMICABLY SETTLED AMONG THE PARTIES OR THROUGH MEDIATION SHALL, EXCEPT AS SPECIFICALLY SET FORTH HEREIN BE REFERRED TO ARBITRATION. THE ARBITRATION SHALL BE CONDUCTED BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH THE RULES OF RULES FOR ARBITRATION, AS AMENDED, EXCEPT THAT THE ARBITRATOR SHALL APPLY THE FEDERAL RULES OF EVIDENCE DURING THE CONDUCT OF THE HEARING SESSIONS WITH RESPECT TO THE ADMISSIBILITY OF EVIDENCE. IF SUCH RULES ARE IN ANY WAY CONTRARY TO OR IN CONFLICT WITH THIS AGREEMENT, THE TERMS OF THE AGREEMENT SHALL CONTROL. ONLY CLAIMS, CONTROVERSIES OR DISPUTES INVOLVING LOAN ORIGINATOR MAY BE BROUGHT HEREUNDER. NO CLAIM FOR OR ON BEHALF OF ANY OTHER LOAN ORIGINATOR OR SUPPLIER, OR CLASS, REPRESENTATIVE OR ASSOCIATION THEREOF, MAY BE BROUGHT BY LOAN ORIGINATOR HEREUNDER.

(2) THE PARTIES SHALL AGREE ON AN ARBITRATOR WITHIN FIFTEEN (15) DAYS OF THE FILING OF ARBITRATION. THE PARTIES SHALL PETITION THE AMERICAN ARBITRATION ASSOCIATION FOR A LIST OF TEN (10) ARBITRATORS WHO ARE PRACTICING ATTORNEYS OR RETIRED JUDGES LICENSED TO PRACTICE LAW IN THE STATE OF TEXAS AND WHO ARE INDEPENDENT OF THE PARTIES AND THE MATTER(S) IN DISPUTE. ALL OF THE ARBITRATORS SHALL BE EXPERIENCED IN THE ARBITRATION OF DISPUTES BETWEEN LOAN ORIGINATOR COMPANIES AND LOAN ORIGINATORS AND COMMERCIAL LITIGATION. EACH PARTY SHALL STRIKE ONE (1) ARBITRATOR FROM THE LIST OF TEN (10) ARBITRATORS, IN AN ALTERNATING MANNER, UNTIL THERE IS ONLY ONE (1) ARBITRATOR REMAINING FROM THE ORIGINAL LIST OF TEN (10). THE RESPONDENT TO

THE DISPUTE SHALL HAVE THE OPPORTUNITY TO DESIGNATE THE FIRST STRIKE, AND THE COMPLAINANT SHALL HAVE THE OPPORTUNITY TO MAKE THE NEXT STRIKE THEREAFTER, AND SO ON AND SO FORTH. THE ARBITRATION SHALL TAKE PLACE AT NLC'S CORPORATE OFFICES OR THEIR COUNSEL'S OFFICE. THE AWARD OF THE ARBITRATOR SHALL BE FINAL AND JUDGMENT UPON THE AWARD RENDERED IN ARBITRATION MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE COSTS AND EXPENSES OF ARBITRATION MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE ARBITRATOR SHALL BE REQUIRED TO SUBMIT WRITTEN FINDINGS OF FACT AND CONCLUSIONS OF LAW WITHIN THIRTY (30) BUSINESS DAYS FOLLOWING THE FINAL HEARING SESSION OF THE ARBITRATION. THE COSTS AND EXPENSES OF ARBITRATION, INCLUDING COMPENSATION AND EXPENSES OF THE ARBITRATORS, SHALL BE BORNE BY THE PARTIES AS THE ARBITRATORS DETERMINE.

(3) NOTWITHSTANDING THE ABOVE, THE FOLLOWING SHALL NOT BE SUBJECT TO ARBITRATION:

(i) DISPUTES AND CONTROVERSIES ARISING FROM THE SHERMAN ACT, THE CLAYTON ACT OR ANY OTHER FEDERAL OR STATE ANTITRUST LAW;

(ii) DISPUTES AND CONTROVERSIES BASED UPON OR ARISING UNDER THE LANHAM ACT, AS NOW OR HEREAFTER AMENDED, RELATING TO THE OWNERSHIP OR VALIDITY OF THE MARKS;

(iii) DISPUTES AND CONTROVERSIES RELATING TO ACTIONS TO OBTAIN POSSESSION OF THE PREMISES OF BUSINESS UNDER LEASE OR SUBLEASE.

(4) IF NLC SHALL DESIRE TO SEEK SPECIFIC PERFORMANCE OR OTHER EXTRAORDINARY RELIEF INCLUDING, BUT NOT LIMITED TO, INJUNCTIVE RELIEF UNDER THIS AGREEMENT, AND ANY AMENDMENTS THERETO, OR TO COLLECT MONIES DUE, THEN ANY SUCH ACTION SHALL NOT BE SUBJECT TO ARBITRATION AND NLC SHALL HAVE THE RIGHT TO BRING SUCH ACTION AS DESCRIBED ABOVE.

(5) IN PROCEEDING WITH ARBITRATION AND IN MAKING DETERMINATIONS HEREUNDER, THE ARBITRATOR SHALL NOT EXTEND, MODIFY OR SUSPEND ANY TERMS OF THIS AGREEMENT OR THE REASONABLE STANDARDS OF BUSINESS PERFORMANCE AND OPERATION ESTABLISHED BY NLC IN GOOD FAITH. NOTICE OF OR REQUEST TO OR DEMAND FOR ARBITRATION SHALL NOT STAY, POSTPONE OR RESCIND THE EFFECTIVENESS OF ANY TERMINATION OF THIS AGREEMENT. THE ARBITRATORS SHALL APPLY TEXAS LAW AND THE TERMS OF THIS AGREEMENT IN REACHING THEIR DECISION.

NO RESOLUTION. WITH RESPECT TO ANY CLAIMS, CONTROVERSIES OR DISPUTES THAT ARE NOT FINALLY RESOLVED THROUGH MEDIATION OR

ARBITRATION, OR AS OTHERWISE PROVIDED ABOVE, LOAN ORIGINATOR AND THE CONTROLLING PRINCIPALS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF HARRIS COUNTY, TEXAS AND THE FEDERAL DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION. LOAN ORIGINATOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. LOAN ORIGINATOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. LOAN ORIGINATOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE HARRIS COUNTY, TEXAS; *PROVIDED, HOWEVER,* WITH RESPECT TO ANY ACTION (1) FOR MONIES OWED, (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (3) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, NLC MAY BRING SUCH ACTION IN ANY STATE OR FEDERAL DISTRICT COURT THAT HAS JURISDICTION. WITH RESPECT TO ALL CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS, RELATED TO THIS AGREEMENT OR THE RELATIONSHIP CREATED THEREBY, THIS AGREEMENT AND ANY SUCH RELATED CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS SHALL BE GOVERNED, ENFORCED AND INTERPRETED UNDER TEXAS LAW (EXCEPT FOR TEXAS CHOICE OF LAW RULES).

C. Adequacy of Choice of Law and Forum. LOAN ORIGINATOR AND NLC ACKNOWLEDGE THAT THE PARTIES' AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH IN THIS AGREEMENT PROVIDE EACH OF THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. LOAN ORIGINATOR AND NLC FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT AND THAT EACH PARTY'S AGREEMENT REGARDING APPLICABLE STATE LAW AND CHOICE OF FORUM HAVE BEEN NEGOTIATED FOR IN GOOD FAITH AND ARE PART OF THE BENEFIT OF THE BARGAIN REFLECTED BY THIS AGREEMENT.

D. Acknowledgement of Forum. LOAN ORIGINATOR AND NLC ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN HOUSTON, TEXAS, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF LOAN ORIGINATOR ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS OF NLC, SHALL OCCUR IN HOUSTON, TEXAS.

E. Development of Dispute Resolution Program. WITHOUT LIMITING ANY OF THE

FOREGOING, NLC RESERVES THE RIGHT, AT ANY TIME, TO CREATE A DISPUTE RESOLUTION PROGRAM AND RELATED SPECIFICATIONS, STANDARDS, PROCEDURES AND RULES FOR THE IMPLEMENTATION THEREOF TO BE ADMINISTERED BY NLC OR ITS DESIGNEES FOR THE BENEFIT OF ALL LOAN ORIGINATORS CONDUCTING BUSINESS UNDER THE SYSTEM. THE STANDARDS, SPECIFICATIONS, PROCEDURES AND RULES FOR SUCH DISPUTE RESOLUTION PROGRAM SHALL BE MADE PART OF THE MANUALS AND IF MADE PART OF THE MANUALS, ON EITHER A VOLUNTARY OR MANDATORY BASIS, LOAN ORIGINATOR SHALL COMPLY WITH ALL SUCH STANDARDS, SPECIFICATIONS, PROCEDURES AND RULES IN SEEKING RESOLUTION OF ANY CLAIMS, CONTROVERSIES OR DISPUTES WITH OR INVOLVING NLC OR OTHER LOAN ORIGINATORS, IF APPLICABLE UNDER THE PROGRAM. IF SUCH DISPUTE RESOLUTION PROGRAM IS MADE MANDATORY, THEN LOAN ORIGINATOR AND NLC AGREE TO SUBMIT ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING OUT OF OR RELATING TO THIS AGREEMENT (INCLUDING ANY EXHIBITS AND ATTACHMENTS HERETO), THE AGREEMENTS CONTEMPLATED HEREBY OR THE RELATIONSHIP CREATED BY THIS AGREEMENT FOR RESOLUTION IN ACCORDANCE WITH SUCH DISPUTE RESOLUTION PROGRAM PRIOR TO SEEKING RESOLUTION OF SUCH CLAIMS, CONTROVERSIES OR DISPUTES IN THE MANNER DESCRIBED IN THIS SECTION ABOVE (PROVIDED THAT THE PROVISIONS OF SECTION 6 CONCERNING NLC'S RIGHT TO SEEK RELIEF IN A COURT FOR CERTAIN ACTIONS INCLUDING FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF SHALL NOT BE SUPERSEDED OR AFFECTED BY THIS SECTION OR IF SUCH CLAIM, CONTROVERSY OR DISPUTE RELATES TO ANOTHER LOAN ORIGINATOR, LOAN ORIGINATOR AGREES TO PARTICIPATE IN THE PROGRAM AND SUBMIT ANY SUCH CLAIMS, CONTROVERSIES OR DISPUTES IN ACCORDANCE WITH THE PROGRAM'S STANDARDS, SPECIFICATIONS, PROCEDURES AND RULES, PRIOR TO SEEKING RESOLUTION OF SUCH CLAIM BY ANY OTHER JUDICIAL OR LEGALLY AVAILABLE MEANS.

F. Waiver of Exemplary Damages. LOAN ORIGINATOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST NLC, ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREES THAT IN THE EVENT OF A DISPUTE, LOAN ORIGINATOR SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

## **SECTION SEVEN**

## **GOVERNING LAW**

(a) It is agreed that this Agreement shall be governed by, construed and enforced in accordance with the Laws of the State of Texas.

(b) Since the parties acknowledge that significant aspects of performance of this Agreement will occur in the State of Texas even though the business activities of the Loan Originator may occur anywhere authorized, provisions of this Agreement will be governed and construed under the law of Texas. If conflict or choice of law rules would choose a law of another jurisdiction, each party waives such rules and agrees the substantive law of Texas shall nonetheless govern. The parties agree that, without waiver of their rights and obligations, unless expressly provided to the contrary in this Agreement, the state and federal courts of Texas shall have exclusive jurisdiction of any litigation between the parties and the Loan Originator expressly submits to the jurisdiction and venue of the federal and state courts sitting in Harris County, Texas with respect to any such litigation.

## **SECTION EIGHT**

### **ENTIRE AGREEMENT**

This Agreement shall constitute the entire Agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

## **SECTION NINE**

### **MODIFICATION OF AGREEMENT**

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

## **SECTION TEN**

### **ASSIGNMENT OF RIGHTS**

This Agreement may be assigned by NLC in the event of a bona fide sale or transfer of ownership or control of the business to another person or entity; provided however, that the assignee shall assume all obligations of NLC herein, in which case NLC shall be released of any further liability to the Loan Originator hereunder. The personal rights and abilities of the Loan Originator are a material inducement to NLC to enter into this Agreement, and the Loan Originator may not assign this Agreement or to assign any rights (including the right to receive commissions).

## **SECTION ELEVEN**

### **NO WAIVER**

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue remain in full force as if no such forbearance or waiver occurred. No delay, waiver, omission or forbearance on the part of NLC to exercise any right, option, duty or power arising out of any breach or default by Loan Originator under this Agreement shall constitute a waiver by NLC to enforce any such right, option, duty or power against Loan Originator, or as to a subsequent breach or default by Loan Originator. Acceptance by NLC of any payments due to it hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by NLC of any preceding breach by Loan Originator of any terms, provisions, covenants or conditions of this Agreement.

## **SECTION TWELVE**

### **SEVERABILITY; AMENDMENT**

If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws in any jurisdiction, that provision shall be ineffective to the extent of such illegality, invalidity or unenforceability in that jurisdiction and such holding shall not, consistent with applicable law, invalidate or render unenforceable such provision in any other jurisdiction, and the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and shall remain in full force and effect in all jurisdictions. Except for those permitted to be made unilaterally by NLC hereunder, no amendment, change or variance

from this Agreement shall be binding on either party unless mutually agreed upon by all the parties hereto and executed by their authorized officers or agents in writing.

**SECTION THIRTEEN**

**TERM AND TERMINATION**

(a) The parties agree that this Agreement is “AT WILL” and may be terminated by either party for convenience with notice to the other party. Additionally, this Agreement may be terminated by operation of law or upon the death or disability of Loan Originator.

(b) This Agreement shall continue in effect until Termination.

(c) Upon the termination of this Agreement, all unpaid commissions earned by loan originator prior to the effective date of termination of this Agreement shall be paid by NLC to Loan Originator within a reasonable period of time. No further compensation, other than the commissions earned as of the effective date of Loan Originator's termination, shall be payable to loan originator under this Agreement after Termination. However, NLC shall have the right to offset against any commissions due to Loan Originator the amount of any indebtedness owed by Loan Originator to NLC. Upon Termination of this Agreement and any debt that may thereafter exist, shall without notice immediately become due and payable and shall bear interest at the highest rate permitted under applicable law until paid.

**SECTION FOURTEEN**

**NOTICES**

All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, by facsimile (with receipt confirmed), or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

if to NLC:

National Lending Corporation  
Hao Nguyen, President  
3673 Westcenter Drive  
Houston, Texas 77042  
Phone No.: \_\_\_\_\_  
Fax No.: \_\_\_\_\_

if to Loan Originator:

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**IN WITNESS WHEREOF** each party to this Agreement has caused it to be executed on the date indicated herein.

I signify and acknowledge that I have received, read, understand, and agree to be bound by the rules made by NLC.

Signature: \_\_\_\_\_ Date \_\_\_\_\_

Printed Name: \_\_\_\_\_