



OUTSIDE SALES LOAN OFFICER EMPLOYMENT AGREEMENT

This OUTSIDE SALES LOAN OFFICER EMPLOYMENT AGREEMENT (“Agreement”), dated as of [_____] (“Effective Date”), between Red Diamond Home Loans (“Company”) and [_____] (“Employee”) (individually, each a “Party,” and collectively, the “Parties”).

WHEREAS, the Parties desire that Employee work in the employment of Company as a loan officer engaged in outside sales activities; and

WHEREAS, the Parties desire to set forth in this Agreement the terms and conditions of such employment;

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein, the consideration for which receipt and sufficiency are hereby acknowledged, the Parties agree as follows:

ARTICLE I EMPLOYMENT AND DUTIES

- A. Commencement. On the terms set forth herein, Company employs Employee, and Employee agrees to be employed by Company as provided for herein.
- B. Duty to Comply with Company Policies. Employee shall comply with all duties and requirements imposed on Employee, as a loan officer and employee, as set forth in this Agreement and the manuals, guides, memoranda, e-mails and other materials that set forth Company’s policies and procedures (“Company Policies”). The Company Policies are effective as of the date of issuance, unless otherwise specified. Company may modify the Company Policies at any time in its sole discretion.
- C. General Duties. As an outside salesperson, Employee is exempt from minimum wage and overtime requirements. The duties of Employee are set forth in Exhibit A hereto.
- D. Duty of Loyalty. Employee shall devote appropriate time and attention to his/her activities for and on behalf of Company. Employee shall assist and work for only Company and no other employer, lender, broker, or other entity, and shall not engage in any way in any mortgage lending or brokering, loan processing or underwriting services, loan modification services, real estate sales or acquisition, closing, settlement or title-related services, credit repair, credit counseling, borrower assistance or other business or service of the same or similar nature. Additionally, Employee may not own an interest in any entity engaging in any such activities, other than a passive investment of less than one percent (1%), without the prior written consent of Company.



- E. Regulatory Compliance. Employee is familiar with and shall comply with the Company Policies and all applicable federal, state and local laws, ordinances, rules, regulations, guidelines and other requirements pertaining to the mortgage banking industry, to the business of Company, and to the origination, processing, underwriting, closing, or funding of mortgages, or other activities of Company, including (but not limited to) the Dodd-Frank Wall Street Reform and Consumer Protection Act, all applicable guidelines and requirements of the Consumer Financial Protection Bureau, United States Department of Housing and Urban Development, Department of Veterans Affairs, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, United States Department of Agriculture, and all other applicable agencies, investors and insurers (altogether, the Company Policies and all such applicable laws, rules, regulations, guidelines and other requirements are referred to herein as the “Applicable Requirements”). Employee agrees to develop and maintain his/her knowledge and understanding of all such Applicable Requirements.
- F. Certain Restrictions and Requirements. Except as expressly provided herein, Employee will not, and shall have no authority to:
- (i) Enter into, act on behalf of, or bind Company with respect to any contract, commitment or agreement, unless Employee has first been expressly authorized in writing by an executive officer of Company.
 - (ii) Close or arrange for the closing of any loan in the name of any person or entity other than Company.
 - (iii) Use any name, trade name, trade mark, service mark or logo of Company or an affiliate of Company for advertising, marketing or other business purposes without the prior written approval of an officer of Company.
 - (iv) Incur any expenses or obligations on behalf of Company unless permitted in the Company Policies or unless Company provides its prior written approval. Employee shall promptly submit invoices and other supporting documentation for reimbursement of permitted expenses in accordance with the Company Policies.
 - (v) Use any forms or documents in connection with any marketing, application or origination of any loan, other than those forms and documents provided to the Employee by Company or otherwise approved by Company. If Employee desires to use any form or document not provided by Company, Employee must first submit the item to Company for approval.



- (vi) Use any Company e-mail addresses or technology, other than for the performance of Employee's respective duties on behalf of Company or use any non-Company email addresses or technology to conduct Company business without prior written permission of an officer of the Company.
 - (vii) Charge any consumer any fees in excess of, or before the applicable time frames that are permitted and or required under Applicable Requirements.
 - (viii) Fail to ensure compliance with all applicable (i) federal licensing, registration and training requirements, including without limitation those pursuant to the SAFE Act, (ii) state licensing, registration and training requirements of each state where Employee engages in loan origination activities, and (iii) the registration and compliance requirements of the Nationwide Mortgage Licensing System & Registry.
 - (ix) Fail to comply with the Regulation Z provisions on loan originator compensation, steering and qualification (codified as 12 C.F.R. §1026.36), as it may be amended from time to time.
 - (x) Fail to immediately report to Company any lawsuits, complaints, investigations or other similar actions which involve Employee's duties on behalf of Company or which could potentially affect Employee's registration or licensing status or ability to perform his or her job for Company.
- G. Remittance of Funds. Employee shall cause all fees, charges, funds, and other amounts received by Employee to be remitted to the applicable office of Company in accordance with Company Policies.
- H. Certain Employee Representations. Without limiting any obligations of Employee, Employee hereby represents and warrants to Company at all times during employment as follows:
- (i) Employee's employment with Company will not violate or conflict with any obligations Employee owes to any individual or entity, including without limitation, obligations arising out of or relating to (i) any non-compete, non-disclosure, non-solicitation or confidentiality agreements or provisions, and (ii) any prior employer or employment.
 - (ii) Employee knows of no reason why Employee could not or should not accept an offer of employment from Company, or otherwise be employed by Company. Employee has not been subject to any investigation or sanction of any type, or denied any license or approval, by any federal, state or local government, quasi-government and private industry authority, including but not limited to any licensing authority.



(iii) In the ten (10) years immediately preceding the date of this Agreement, there has not been and there is not currently any outstanding orders, judgments, injunctions, awards or decrees of any court, governmental or regulatory body or arbitration tribunal against or involving Employee or his/her assets and there have been no actions, suits, administrative proceedings or claims against Employee, or, to his/her knowledge, pending, nor any actual or threatened investigations involving Employee and his/her assets that would adversely affect Employee's ability to perform his or her duties for Company or secure or maintain necessary licensing (if any).

(iv) Employee currently possesses, and at all relevant times has maintained in good standing, any and all licenses, registrations and authorizations required to conduct business as a loan officer for each state in which such business will be conducted.

I. Truthfulness. Employee agrees not to withhold or misrepresent material facts to Company, or to any consumer, agency, insurer, or investor. It is Employee's obligation and responsibility to disclose any and all information regarding an applicant's state of affairs that would customarily be taken into consideration in the evaluation of an applicant's creditworthiness. At no time will Employee advise an applicant to provide, or assist an applicant in providing, inaccurate information in relation to a loan application.

J. Background Checks; Hiring Authority. To the maximum extent permitted by applicable law, Company shall be entitled to conduct interviews and background checks on all employees. All decisions to hire, terminate and discipline employees shall be made solely by Company and are solely within Company's discretion. Employee shall participate in training sessions as required by Company from time to time.

ARTICLE II TERM AND TERMINATION

A. At-Will Employment. Notwithstanding anything to the contrary herein: (a) the Parties hereby agree and acknowledge that the employment relationship between them is wholly an "at-will" relationship, and neither Party shall have any obligation (whether arising by law, implication, custom or otherwise) to extend, maintain or continue Employee's employment with Company; (b) Employee's employment can be terminated at will, with or without cause, and with or without reason, at any time, upon notice; (c) no employee or representative of Company has the authority to modify this at will nature of the employment except for the President, and any such modification must be in a specific written agreement signed by both Employee and Company by its President.



- B. Termination upon Death or Disability. If Employee becomes Disabled (as defined below) or dies while employed hereunder, Employee's employment and Employee's rights to compensation hereunder shall automatically terminate (without notice) at the close of business on the date on which death or disability occurs. For purposes of this Agreement, Employee shall be deemed to have become "Disabled" upon Employee's inability to perform the essential functions of Employee's job, because of Employee's physical or mental illness or other incapacity which substantially limits a major life activity, for a continuous period of three (3) months or more, or a total of four (4) months in the aggregate within any one (1) year period. Company shall pay Employee any compensation earned by Employee as of the date of such termination in accordance with the normal payroll practices of Company or as otherwise required under applicable law.
- C. Company Property. All loans initiated and handled by Employee while employed by Company, and all related information, shall at all times remain the sole and exclusive property of Company. Employee agrees to promptly return to Company immediately upon request, at any time, and upon termination of employment, all Company property, including office keys, access cards, any electronic communications equipment issued by Company, documents, files, correspondence and notes, containing or relating to Confidential Material (defined below), and including but not limited to information obtained from the customers and prospective customers contacted by Employee, and the loans handled by Employee, while employed by Company, without keeping any copies. Employee shall assist Company in securing all original loan files and copies thereof, as requested by Company.

ARTICLE III COMPENSATION AND BENEFITS

- A. Compensation. At all times during Employee's employment, as full compensation, Company hereby agrees to pay Employee as set forth below and in the compensation schedule attached hereto as Exhibit B. Company at all times shall have the right to modify the applicable compensation formula on a prospective basis upon notice to Employee. Compensation shall be paid to Employee at such times and in a manner consistent with Company Policies as may be in effect from time to time.
- B. Benefits. While employed by Company, Employee shall be entitled to the rights and benefits under any employee benefit plans provided by Company to similarly situated employees.
- C. Compensation at End of Employment. Upon cessation of Employee's employment, for any reason, Employee shall be paid any compensation earned up to and including the date employment ends. Except as otherwise expressly provided herein, or required by



applicable law, Employee shall not be entitled to any further compensation, including (but not limited to) draws, benefits, fringe benefits, commissions, or bonuses, as applicable. [Notwithstanding the foregoing, if a loan is in Employee’s pipeline on the date Employee ceases to be employed, and the loan meets the criteria of an Eligible Loan (as defined in Exhibit B and excluding element “(d)” of the definition) within thirty (30) days after the end of Employee’s employment, Employee shall be paid the compensation for such loan in the same manner as if Employee had remained in the employment of Company during such period. Employee hereby covenants not to attempt to move any pipeline loan to any other Person following the end of employment.]¹

- D. Withholding. Employee acknowledges that all compensation earned under this Agreement shall be subject to applicable withholding and deductions.
- E. Sole Compensation. Other than as provided for in this Article III, Employee shall not be entitled to any other compensation or benefits.

ARTICLE IV PROTECTED INFORMATION AND RESTRICTIVE COVENANTS

A. Protected Information.

- (i) Confidentiality. Employee hereby acknowledges, understands and agrees that all “Confidential Material,” as defined below, is the exclusive and confidential property of Company which shall at all times be regarded, treated and protected as such in accordance with this Article IV. Employee acknowledges that all such Confidential Material is in the nature of a trade secret. For purposes of this Agreement, “Confidential Material” means information, which is available to or used in the business of Employee and (i) is proprietary to, about or created by Company, (ii) gives Company a competitive business advantage or the opportunity of obtaining such advantage or the disclosure of which would be detrimental to the interests of Company, or (iii) is designated as Confidential Material by Company, is known by Employee to be considered confidential by Company, or from all the relevant circumstances should reasonably be assumed by Employee to be confidential and proprietary to Company. Such Confidential Material includes, without limitation, the following types of information and other information of a similar nature (whether or not reduced to writing or designated as confidential):

¹ [TBD]



- (a) Internal personnel and financial information of Company, purchasing and internal cost and revenue information, internal service and operational manuals, computer software and systems and the manner and methods of conducting the business of Company;
 - (b) Company personnel names and contact information;
 - (c) Training and educational materials provided by Company to Employee;
 - (d) Marketing materials and/or marketing plans provided by Company to Employee; and
 - (e) Confidential and proprietary information provided to Company by any actual or potential customer, or other third party (including businesses, consultants and other entities and individuals), and shall include, without limitation, all of the customer's "non-public personal information," as that term is defined under the Gramm-Leach-Bliley Act of 1999 and any amendments thereto.
- B. Non-Disclosure. As a consequence of Employee's acquisition or anticipated acquisition of Confidential Material, Employee shall occupy a position of trust and confidence with respect to the affairs and business of Company. In view of the foregoing and of the consideration to be provided to Employee, Employee agrees that it is reasonable and necessary that Employee make each of the following covenants:
- (i) At any time during the term of this Agreement and thereafter, except as required by law, Employee shall not disclose Confidential Material to any person or entity, either inside or outside of Company, other than as necessary in carrying out the business of Employee, without first obtaining Company's prior written consent (unless such disclosure is compelled pursuant to court orders or subpoena, and at which time Employee shall give immediate notice of such proceedings to Company).
 - (ii) At any time during the term of this Agreement and thereafter, Employee shall not use, copy or transfer Confidential Material other than as necessary in carrying out the business of Company, without first obtaining Company's prior written consent.
 - (iii) Upon termination of this Agreement, Employee shall promptly deliver to Company (or its designee) all written materials, records, software and documents made by Employee or which came into his/her possession prior to or during the term of this Agreement, concerning the business and affairs of Company, including, without limitation, all materials containing Confidential Material.
- C. Restrictive Covenants.



- (i) [Non-Solicitation]. In order to protect and preserve Company’s Confidential Materials, and Company’s significant investment in developing its business, which investment Employee hereby acknowledges, commencing as of the date hereof and for a period of one (1) year following cessation of Employee’s employment with Company (the “Limited Period”) Employee shall not, directly or indirectly, separately or in association with others, interfere, disrupt or damage Company’s business by soliciting, recruiting, attempting to recruit, or causing or assisting in the recruitment or attempted recruitment of, any then-current employee of Company, or any individual who has served in any such capacity at any time within the six (6) month period immediately prior thereto, for employment with another Person.]

- (ii) [No-Hire]. In order to protect and preserve Company’s Confidential Materials, and Company’s significant investment in developing its business, which investment Employee hereby acknowledges, unless prohibited by applicable law, during the Limited Period, Employee shall not, directly or indirectly, hire, attempt to hire, or cause or assist in the hiring or attempted hiring of, any then-current employee, consultant or exclusive independent contractor of Company, or any individual who has served in any such capacity at any time within the six (6) month period immediately prior thereto, for employment.]²

- (iii) Re-Solicitation of Borrowers. Employee hereby expressly acknowledges that the solicitation of, or the origination of a loan for, a consumer for whom a loan previously was processed and closed by Company may result in the imposition against Company of fines, penalties, reimbursements, indemnifications, damages and expenses (“Re-Solicitation Losses”). Employee shall under no circumstances solicit any consumer for whom a loan previously was processed and closed by Company during the longer of (i) the twelve (12) month period following the date of such loan closing, and (ii) such period as may be specified in the Applicable Requirements of the pertinent lender or investor with respect to the loan, if such solicitation or loan closing would result in a Re-Solicitation Loss to Company. Unless otherwise prohibited by applicable law, in the event of any breach of this Section, loans subject to any Re-Solicitation Losses would not be considered an Eligible Loan as defined in Exhibit B.

D. Independent Covenants. All covenants and provisions contained in this Article IV are independent of each other and may be separately enforced or enforced together. If any of the covenants set forth in this Article IV is determined to be unenforceable because of its scope, duration, geographical area or similar factor, then the court making such

² [A non-compete provision also is an option, and we can include upon request.]



determination shall have the power to reduce or limit such scope, duration, area or other factor, and such covenant shall then be enforceable in its reduced or limited form.

- E. Irreparable Harm; Injunctive Relief. Company and Employee recognize and acknowledge that in the event of any breach of any provision of this Article, irreparable harm will be suffered by Company and that any remedy available at law will be inadequate and Company and Employee do, therefore, agree that in such event Company shall be entitled to injunctive relief in any court of competent jurisdiction against Employee and against any other person or entity involved in or connected with such breach, without necessity of posting any bond, cash or security against/for Employee or any individual or entity involved in or connected with such breach, which rights shall be in addition to such rights as Company may have for damages and in addition to such other remedies as the law or equity may provide.

ARTICLE V MISCELLANEOUS PROVISIONS

- A. Severability. The invalidity or unenforceability of any term or provision contained in this Agreement shall not void or impair the remaining provisions hereof, which shall remain in full force and effect as if such invalid or unenforceable provision had never been contained herein.
- B. Modifications, Alterations and Amendments. Company reserves the right to modify, alter or amend this Agreement prospectively upon written notice to Employee. Such modifications shall not affect commissions earned but not paid. Employee's continued employment after written notice of the modification, alteration or amendment shall constitute Employee's acceptance of the modification, alteration or amendment. No modification, alteration or amendment of Employee's at-will status is effective, however, unless it is in writing and signed by Employee and an officer of Company.
- C. Further Assurances. Employee agrees to execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all such further documents that Company reasonably deems necessary or appropriate to carry out the terms and provisions of this Agreement.
- D. No Waiver. No waiver by Company of any condition, or the breach of any term, covenant, representation or warranty contained herein, whether by conduct or otherwise, by Employee in any one or more instances shall be deemed or construed as a further or continuing waiver of any such term, condition, representation or warranty set forth in the Agreement. Any waiver must be in writing in order to be enforceable against Company.



- E. Successors and Assigns. Company may assign its rights and duties hereunder provided that the assignee is the successor, by operation of law or otherwise, to the business of Company. Employee's rights and obligations under this Agreement shall not be assignable absent Company's prior written consent, which Company may withhold in its sole and absolute discretion.

- F. Governing Law; Venue; Waiver of Jury Trial. To the maximum extent permitted under applicable law, this Agreement shall be governed by and construed in accordance with the substantive laws of Federal law and the laws of the State of Texas, without regard to provisions related to choice of law or forum, and (unless the Parties agree otherwise) venue for resolution of any and all disputes shall be Tarrant County, Texas, and the Parties hereby submit to the jurisdiction of the courts in that County. COMPANY AND EMPLOYEE EACH HEREBY ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LITIGATION, ACTION, CLAIM, SUIT OR PROCEEDING, AT LAW OR IN EQUITY, ARISING OUT OF, PERTAINING TO OR IN ANY WAY ASSOCIATED WITH THIS AGREEMENT, THE ACTIVITIES CONTEMPLATED HEREBY, THE RELATIONSHIP OF THE PARTIES HERETO AS COMPANY AND EMPLOYEE, OR THE ACTIONS OF THE PARTIES HERETO IN CONNECTION WITH ANY OF THE FOREGOING.

- G. Survival. Notwithstanding anything herein to the contrary, Sections I.E-I.G, I.I, II.C, III.A, III.C-III.E, and Articles IV and V shall survive termination of this Agreement and cessation of Employee's employment with Company.

- H. Notice. Any and all notices, demands or requests required or permitted to be given under this Agreement shall be given in writing and sent, by registered or certified U.S. mail, return receipt requested, by hand, or by overnight courier, addressed to the other Party hereto at its address set forth below, or such other address as such Party may from time-to-time designate by written notice, given in accordance with the terms of this Section.

If to Company:

[ATTN.: President
Red Diamond Home Loans
221 East Southlake Blvd.
Southlake TX 76092]

If to Employee, to the most recent address in Company's personnel records for the Employee.



Notice shall be deemed effective: (a) on the date hand delivered, (b) on the first business day following the sending thereof by overnight courier, and (c) on the fifth calendar day (or, if it is not a business day, then the next succeeding business day thereafter) after the depositing thereof into the exclusive custody of the U.S. Postal Service, except for a notice of change of address, which shall be deemed effective only upon receipt.

- I. Construction. In the event of an ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. The Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- J. No Third-Party Beneficiaries. This Agreement is not intended, and shall not be deemed, to confer upon or give rights to any person except as otherwise expressly provided herein.
- K. Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed an original instrument.
- L. Entire Agreement. This Agreement sets forth all the promises, covenants, agreements and conditions between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, expressed or implied, oral, written or otherwise, except as set forth herein.
- M. Cooperation. At all times during and after separation of employment, the Parties hereto shall cooperate in effecting an orderly transition of the business contemplated by this Agreement to avoid any interruption in the handling of the business contemplated by this Agreement.
- N. Consultation. Employee agrees and acknowledges that, prior to signing, Company has granted Employee sufficient time to review the Agreement, including allowing Employee (in Employee's sole discretion) to take the Agreement home for further study and review. Company has encouraged Employee to freely discuss the terms of this Agreement with any lawyer of Employee's choosing prior to signing.
- O. No Reliance. Employee is not resigning Employee's employment or relocating a residence in reliance on any promise or representation by Company regarding any guaranteed length of employment or guaranteed compensation by Company.



- P. Incorporation. The attachments identified in this Agreement constitute a part of this Agreement and are hereby expressly and specifically incorporated herein by reference in their entirety as if fully set forth in this Agreement.
- Q. [Mandatory Arbitration]. Unless otherwise expressly provided to the contrary herein, any claim, dispute, or controversy (“Claim”) arising out of, or relating to, this Agreement or the relationships among the Parties hereto shall be resolved by one arbitrator through binding arbitration administered by the American Arbitration Association (“AAA”), under the AAA Rules for the Resolution of Employment Disputes in effect at the time the Claim is filed. The arbitrator’s decision shall be final, binding, and non-appealable. Judgment upon the award may be entered and enforced in any court having jurisdiction. This clause is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act. Neither Party shall sue the other Party other than as provided herein or for enforcement of this clause or of the arbitrator’s award; any such suit may be brought only in Federal District Court or, if any such court lacks jurisdiction, in any state court that has jurisdiction. The arbitrator, and not any Federal, state, or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability, or formation of this Agreement including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled “Class Action Waiver.”]
- R. CLASS/COLLECTIVE ACTION WAIVER. Any Claim must be brought in the respective Party’s individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding (“Class Action”). The Parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION. HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.



IN WITNESS WHEREOF, the Parties hereto have caused their names to be hereunto subscribed, all as of the day and year first above written.

EMPLOYEE:

Print Name: _____

COMPANY:

RED DIAMOND HOME LOANS

By: _____

Its: _____



EXHIBIT A DUTIES³

Employee shall have the following duties, or such other or additional duties as Company may prescribe from time to time, in Company's sole and absolute discretion:

- A. Employee's primary duty shall be to sell mortgage loan products and services to residential mortgage customers. Employee shall at all times devote substantially more than fifty percent (50%) of Employee's working hours to selling mortgage loan products and services to residential mortgage customers, and shall do so away from Company's places of business. In this regard, Employee's outside sales and loan origination functions (collectively "Duties") shall include without limitation:
1. Identifying potential mortgagors, acquiring a full understanding of, and analyzing, their respective financial needs, based on their individual financial health, economic goals and credit history;
 2. Working with clients to create loan packages that meet their particularized needs and goals, while guiding them through the complex requirements of the various lenders;
 3. Educating clients regarding mortgage loans generally, the mortgage loan process, the different types of loans available, and how costs and payments can vary under the numerous alternatives available, so clients can make informed decisions in acquiring the appropriate loan to fit their respective needs;
 4. Locking loans in accordance with Company Policies, and with the Company's secondary marketing department the same program, rate, and price that was committed to the customer;
 5. Originating mortgages, and handling client questions and complaints; and
 6. Overseeing the loan transaction from initiation, through processing, approval, closing and recording, while ensuring that the client understands and is satisfied with the process, and that the activities undertaken comply with Company and industry guidelines and policies.

³ [We encourage review of the Exhibits by local wage and hour counsel in each state to ensure compliance with local requirements.]



- B. Employee understands and acknowledges that the foregoing description of Employee's duties is intended to establish, and does establish, Employee as EXEMPT FROM MINIMUM WAGE AND OVERTIME REQUIREMENTS.



EXHIBIT B
OUTSIDE SALES COMPENSATION

Employee’s compensation shall be determined and calculated in accordance with this Exhibit B. Notwithstanding anything to the contrary herein, the timing of payments of compensation shall at all times be subject to Company Policies regarding payroll practices in effect from time to time, and Company may, in its sole and absolute discretion, change the compensation rates and formulas set forth in this Exhibit B, and the manner and schedule of payment, at any time on a prospective basis, but no such change will affect any compensation already earned by Employee as of the date the change is announced.

I. Employee Compensation.

For each pay period, Employee shall earn compensation equal to the [[*greater of* (A) the Guaranteed Draw or (B) Commission Amount, less any amounts previously paid to Employee for the Guaranteed Draw or other advances not already taken into account by a prior calculation] OR [the Commission Amount]].

A. Guaranteed Draw. “Guaranteed Draw” means an amount equal to \$[_____] per workweek.]

B. Commission Amount. For every Eligible Loan the Employee originates in the month, Company will pay Employee a “Commission” calculated as follows:

[Option 1: [XXXX] Basis Points of the gross loan amount stated in the Note at settlement for each Eligible Loan]

OR

[Option 2: the number of Basis Points identified in the chart below of the principal amount of the gross loan amount stated in the Note at settlement for each Eligible Loan, which number of Basis Points [shall/shall not] be retroactive during each applicable period]

MONTHLY VOLUME GOALS	
VOLUME	OVERRIDE RATE
[XX] – [XX]	[XX] Basis Points
[XX] – [XX]	[XX] Basis Points
[XX] – [XX]	[XX] Basis Points
[XX] – [XX]	[XX] Basis Points
[XX] +	[XX] Basis Points

II. Definitions.

A “Basis Point” is equal to one hundredth of one percentage point (0.01%).



An "Eligible Loan" is defined as a residential mortgage loan (a) that is originated in accordance with Applicable Requirements; (b) that is closed and funded in accordance with Applicable Requirements, in the period in which the Commission Amount is calculated; and (c) that is not unfunded, cancelled or rescinded for any reason within five (5) days after settlement.

III. Periodic Reviews. Periodically, Company will evaluate the commission amounts paid to its loan originators based on factors such as loan performance, transaction volume, and current market conditions, and prospectively revise the compensation it agrees to pay to Employee. Company shall have the right, at its sole discretion, to modify this compensation schedule (Exhibit B), in whole or in part, at any time on a prospective (but not a retroactive) basis. In such event, Company shall issue and deliver to Employee a new Exhibit B which reflects such changes which shall, as of the effective date stated thereon, supersede and replace the prior Exhibit B. Upon modification of this Exhibit B, the calculations herein will apply to all transactions with a locked rate that is prior to the effective date of such modification.

Employee and Company hereby agree to Employee's compensation as set forth in this Exhibit B, which shall be effective as of [_____, 20__].

EMPLOYEE:

Print Name: _____

COMPANY:

RED DIAMOND HOME LOANS

By: _____

Its: _____