

Western Mortgage Co.

701 Palomar Airport Rd., #300
Carlsbad, Ca 92011

Dear Associate Licensee:

Thank you for considering **Western Mortgage Co.** as your partner to provide home loans to our valued clients.

Please review the enclosed Broker - Associate Licensee Agreement we can finalize the terms of cooperative settlement. We can also discuss a schedule for initial training to provide the information and process flow to ensure your transactions proceed in an expedient and professional manner.

Our objective is to: "Provide the client with the mortgage that best fits their need in the most professional manner possible, and, to close each and every escrow on time and on budget"

I look forward to a mutually rewarding personal and business relationship.

Sincerely,



David Van Waldick
President/Broker
Western Mortgage
(760) 599-1261

Western Mortgage Co.

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Carlsbad, Ca 92011

Broker-Associate Licensee Contract (Independent Contractor)

This is intended to be a legally binding contract - Read it Carefully

This Agreement made this _____ day of _____, 2014, by and between **WESTERN MORTGAGE**, (hereinafter "Broker") and _____ hereinafter ("Associate Licensee").

In consideration of the respective representations and covenants herein, Broker and Associate Licensee agree and contract as follows:

1) **BROKER:** Broker represents that he is duly licensed as a real estate broker by the state of California, doing business as (DBA) Western Mortgage Co., a Sole Proprietorship. Broker shall keep his license current during the term of this agreement.

2) **ASSOCIATE LICENSEE:** Associate Licensee represents that, (a) he/she/it's a duly licensed by the State of California as a real estate salesperson/real estate broker. Associate Licensee shall keep his/her license current during the term of this agreement, including satisfying all applicable continuing education and provisional license requirements.

3) **BROKER SUPERVISION:**

- (a) Associate Licensee shall submit for Broker's review:
 - i. All documents which may have a material effect upon the rights and duties of principals in a transaction, within 48 hours after preparing, signing, or receiving same. Broker may exercise this review responsibility through another designated licensee.
 - ii. Any documents or other items connected with any transaction pursuant to this agreement, in possession of or available to Associate Licensee, (i) immediately upon request by Broker or Broker's designated licensee, (i) immediately upon request by Broker or Broker's designated licensee, and/or (ii) as provided by Office Policy Manual, if any.
- (b) In addition, without affecting Associate Licensee's status, Broker shall have the right to direct Associate Licensee's actions to the extent required by law, and Associate Licensee shall comply with such directions. All trust funds shall be handled in compliance with the Business and Professions code 10145, and other applicable laws.

4) **OFFICE FACILITIES:** Broker shall make available for Associate Licensee's use, along with other licensee's associated with Broker, the facilities of the real estate finance office operated by broker at: **701 Palomar Airport Rd. Suite #300, Carlsbad, CA 92011**, or the facilities of any other office location made available by Broker pursuant to this agreement, and in agreement with the Associate-Licensee terms & commissions **Addendum "A"**.

5) **ASSOCIATE LICENSEE'S EFFORTS:** Associate Licensee shall work diligently and with his/her best efforts, (a) to locate residential mortgage loans by any lawful means agreed upon between Broker and Licensee, (b) to otherwise promote the business of serving the public in residential real estate financing, consulting, real estate sales, to the end that Broker and Licensee may derive the greatest benefit possible, in accordance with law.

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6) **UNLAWFUL ACTS:** Associate Licensee shall not commit any act for which the Real Estate Commissioner of the State of California is authorized to restrict, suspend, or revoke Associate Licensee's license or impose other discipline, under the California Business and Professions Code, and as applied under such federal laws as set by the HUD in connection with RESPA, proper disclosure and settlement procedures, or other state and federal laws as they may apply.

7) **TRANSACTION CLOSING COMMISSIONS:** Commissions shall be charged to parties who desire to have Broker/Licensee arrange services requiring a real estate license, or involve the arranging of mortgage credit.

8) **COMPENSATION TO ASSOCIATE LICENSEE** Associate Licensee shall receive a share of Page commissions which are actually collected by Broker, on closed loans or other services requiring a real estate license which are solicited and obtained by Associate Licensee, and on transactions of which Associate Licensee's activities are a procuring and consistent cause, as follows: **AS PER ADDENDUM "A"** of Commissions and fees actually received by Broker in the form of negotiable funds.

9) **DIVIDING COMMISSIONS TO OTHER BROKERS/LICENEE'S** If Associate Licensee and one or more other Broker/Licensees associated with a duly licensed Broker both participate in the commissions of a transaction, the commission allocated to their combined activities shall be received by and divided by Broker herein and paid to them according to the written agreement between them which shall be furnished in advance to Broker. These divided commissions shall be disclosed to the client in the transaction as required by RESPA, and other federal disclosure laws, and Agency laws as described by the Real Estate Commissioner for the State of California.

10) **COMMISSIONS PAID TO BROKER** All commissions will be received by Broker. Associate Licensee's share of commissions shall be paid to him/her, after deductions of offsets, immediately upon collection by Broker or as soon thereafter as practicable, except as otherwise provided in paragraph 8 above, (b) Broker's Office Policy Manual, or (c) a separate written agreement between Broker and Associate Licensee. Broker may impound in Broker's account Associate Licensee's share of commissions on transactions in which there is a known or pending claim against Broker and/or Associate Licensee, until such claim is resolved.

11) **UNCOLLECTED COMMISSIONS:** Neither Broker nor Associate Licensee shall be liable to the other for any portion of commissions not collected. Associate Licensee shall not be entitled to any advance payments from Broker upon future commissions.

12) **ASSOCIATE LICENSEE'S EXPENSES; OFFSETS:** Associate Licensee shall provide and pay for all professional licenses, supplies, services, and other items required in connection with Licensee's activities under this agreement, or any transaction, without reimbursement from Broker except as required by law. If Broker elects to advance funds to pay expenses or liabilities of Associate Licensee, Associate Licensee shall repay to Broker the full amount advanced on demand, or Broker may deduct the full amount advanced from commissions payable to Associate Licensee on any transaction without notice.

13) **INDEPENDANT CONTRACTOR RELATIONSHIP:** Broker and Associate Licensee intend that, to the maximum extent permissible by law, (a) This agreement does not constitute a hiring or employment agreement by either party, (b) Broker and Associate Licensee are independent contracting parties with respect to all services rendered under this agreement or in any resulting transactions, (c) Associate Licensee's only remuneration shall be his/her proportional share , if any, of commissions collected by Broker, (d) Associate Licensee retains sole and absolute discretion and judgment in the methods, techniques, and procedures to be used in soliciting and obtaining client transactions requiring a real estate license, and in carrying out Associate Licensee's selling and soliciting activities, except as

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required by law or in Broker's Office Policy manual, (e) Associate Licensee is under control of the Broker as to the results of Associate Licensee's work only, and not as to the means by which those results are accomplished except as required by law, or in Broker's Office Policy Manual, if any, (f) this agreement shall not be construed as a partnership, (g) Associate Licensee has no authority to bind Broker by any promises or representation unless specifically authorized by Broker in writing, (h) Broker shall not be liable for any obligation or liability incurred by Associate Licensee, (i) Associate Licensee shall not be treated as an employee with respect to services performed as a real estate agent, for state and federal tax purposes, and (j) the fact the Broker may carry worker compensation insurance for his/her/its own benefit and for the mutual benefit of Broker and Licensees associated with Broker, including Associate Licensee, shall not create an inference of employment.

14) TRANSACTION FILES AND OTHER MATERIALS PROPERTY OF BROKER: All agreements for performance of licensed acts, and all acts or actions requiring a real estate license which are taken or performed in connection with this agreement, shall be taken and performed in the name of the Broker. Associate Licensee agrees to and does hereby contribute all rights and title to such loan activities to Broker for the benefit and use of Broker and Associate Licensee.

15) TERMINATION OF RELATIONSHIP: Broker or Associate Licensee may terminate their relationship under this agreement at any time, on 24 hours written notice, with or without cause. Even after termination, this agreement shall govern all disputes and claims between Broker and Associate Licensee connected with their relationship under this agreement, including obligations and liabilities arising from existing and completed transactions and services.

16) COMMISSIONS AFTER TERMINATION AND OFF-SET : If this agreement is terminated while Associate Licensee has transactions in process and or as yet due but unpaid commissions, that require further work normally rendered by Associate Licensee, Broker shall make arrangements with another Licensee associated with Broker to perform the required work, or shall perform the work him/herself. The licensee performing the work shall be reasonably compensated for completing such work or transactions, and such reasonable compensations shall be deducted from Associate Licensee's share of the commissions. Except, for such offset, Associate Licensee shall receive his/her regular share of commissions on such sales or other transactions, if actually collected by Broker, after deduction of any other amounts or offsets provided in this agreement.

17) ARBITRATION OF DISPUTES: All disputes or claims between Associate Licensee and other licensee(s) associated with Broker, or between Associate Licensee and Broker, arising from or connected in any way with this agreement, which cannot be adjusted between the parties involved, shall be submitted to agreed upon arbitration or small claims court as necessary.

18) PROPRIETARY INFORMATION AND FILES: Associate Licensee shall not use to his/her own advantage, or to the advantage of any person, business, or entity, except as specifically provided by this agreement, either during Associate Licensee's association with Broker or thereafter, any information gained for or from business or files of Broker. All files and documents pertaining to loan transactions are the property of the Broker and shall be delivered to Broker by Associate Licensee immediately upon request or upon termination of their relationship under this agreement.

19) AGREEMENT TO HOLD HARMLESS: All claims, demands, liabilities, judgments, and arbitration awards, including costs and attorney's fees, to which Broker is subjected by reason of any action taken by Associate Licensee in connection with services rendered or to be rendered pursuant to this agreement, shall be paid in full by Associate Licensee, who hereby agrees to indemnify and hold harmless broker for all such sums, or Associate Licensee shall pay to Broker the full amount due by him/her on demand, or Broker may deduct the full amount by Associate Licensee from commissions due on any transactions without notice.

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20) ADDITIONAL PROVISIONS: As per addendum(s) to associate licensee contract.

21) DEFINITIONS: As used in this agreement, the following terms have meanings indicated:

(a) "Commission" means compensation for acts requiring a real estate license, regardless whether calculated as a percentage of transaction price, flat fee, hourly rate, or in any other manner.

(b) "Transaction" means closing or the sale of real estate, mortgage loans, consulting, or leasing of real estate for the purpose of securing compensation for which a real estate license is required.

22) NOTICES: All notices under this agreement shall be in writing. Notices may be delivered personally, or by certified U.S. Mail, postage prepaid, or by facsimile, to the parties at the addresses noted below. Either party may designate a new address for purposes of this agreement by giving notice to the other party. Notices mailed shall be deemed received as of 5:00 P.M. on the third business day following the date mailing.

23) ATTORNEY FEES: In any action, proceeding, or arbitration between Broker and Associate Licensee arising from or related to this agreement, the prevailing party shall, in the discretion of the court or arbitrator, be entitled to reasonable attorney fees in addition to other appropriate relief.

24) ENTIRE AGREEMENT; MODIFICATION: All prior agreements between the parties concerning their relationship as Broker and Associate Licensee are incorporated in this agreement, which constitutes the entire contract. Its terms are intended by the parties as a final and complete expression of their agreement with respect to the subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. This agreement may not be amended, modified, altered, or changed in any respect whatsoever except by a further agreement in writing duly executed by Broker and Associate Licensee.

BROKER:

David Van Waldick

David A. Van Waldick _____

Western Mortgage Co. _____

701 Palomar Airport Rd., #300 _____

Carlsbad, CA 92011 _____

(760) 599-1261 _____

ASSOCIATE-LICENSEE

X _____

Agent: _____

Address: _____

Phone: _____

NOTES: (1) Broker and Associate Licensee should each retain an executed copy of agreement.
(2) Addendum should be attached and acknowledged by signature.

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Addendum A - (Page 1)

Mortgage Loan Officer Compensation

Sales Agents performing Services requiring a Real Estate License
Compensation Schedules

Associate Licensee Compensation and Fee Schedule

<u>Description</u>	<u>Agent Initials</u>
1. Commissions: 100% less broker admin fee per loan.	X_____
2. Broker Admin Fee: \$950 - FHA/VA/Conventional.	X_____
3. Loan Processing - \$695 (In house or when broker provided).	X_____

- Notes:**
- 1) Affiliate Agents are not provided office space, office services, or other Administrative services. They are however entitled to use the primary office of Western Realty / Mortgage to drop off or pick up documents, meet clients, and other minimal office needs from time to time. Reserved conference room use will be billed to agent as incurred by WM.
 - 2) Due to DRE record keeping requirements and standard business practices, all transaction files, documents, etc., are the property of Western Mortgage. If agent wishes a copy of their client's files, they may do so at their time and expense.
 - 3) A statement that in house referral compensation will be paid to the affiliate Agent may be required in some instances and will be disclosed at the time of application, and acknowledged by applicant's signature on required disclosures.

Mail/email signed contract with the following items to:

**Western Mortgage Co.
701 Palomar Airport Rd., Suite 300
Carlsbad CA 92011**

1. Copy of current Sales Agent License.
2. Signed Broker - Licensee Agreement.
3. Completed w-4 form for tax reporting. (Attached).
4. Complete mailing address, home address, and phone/fax/email/web site addresses.

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ADDENDUM A - (Page 2)

TO ASSOCIATE-LICENSEE CONTRACT Commission Illustration and Expense Notes.

This addendum is to outline specific additional terms of the Associate Licensee agreement between **Western Mortgage Co.**

"Associate Licensee", for activities to secure transactions for which a real estate license is required.

1) Associate Licensee's share of commissions derived from real estate commissions equal to:
. This compensation schedule shall be paid based upon Commissions due Agent as determined by deducting any charges due WM (i.e., credit reports, appraisal fees, agent expenses due, etc.) and applying the agreed upon commission percentage to the "Gross Commissions Due"

Example: Transaction Closes:
Total Fees: \$5,000
Less: 950 (Broker Fee)
Paid Agent: \$ 4,050

2) Associate Licensee to pay for actual expenses incurred in the course of solicitation, and closing transactions. These expenses will include but are not limited to, desk rental, telephone charges incurred from Broker office, mailing costs, advertising expenses, business cards, special printing charges, supplies, etc. These fees to be clearly stated when applicable by an accompanying addendum signed by both agent and broker.

3) Associate Licensee agrees to pay for Loan Processing fee when processing provided and/or and Broker Administration fee for each closed loan. These fees to be established by Broker and may vary as Broker determines. When applicable they will be itemized in an attached addendum and acknowledged by both agent and broker.

4) Broker retains sole discretion to pay for, or waive, any of the above expenses as a specific transaction may warrant.

BROKER

ASSOCIATE-LICENSEE

David Van Waldick

David Van Waldick

Date

Date

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Carlsbad, Ca 92011

Sales Agent Information and Set Up Summary

Ca DRE# _____ NMLS Unique ID: _____

Legal name (checks, 1009's, w-2's, etc). _____

Home address: _____ check here if preferred address

Mail/Off Address: _____ check here if preferred address

Phone number: _____

Fax #: _____

Email address: _____

Social Security Number: _____ (We reserve the right to check personal credit)

Commission Deposit/Banking and Mailing Information will be collected at time of first closing.