



REFERRAL FEE AGREEMENT

This Referral Fee Agreement ("Agreement") made as of this day____ of 20____ , by and among Hard Money Capital Group LLC, Referred in this agreement as ("HMCG"), and Broker _____ Referred in this agreement as ("Referral Agent"), collectively (the "Parties").

This Referral Agreement (the "Agreement") made as of this day____ of 20____ , by and between Hard Money Capital Group LLC ("HMCG"), a Texas limited liability company with an address at PO Box 905 Hutto TX 78634 ("HMCG") and _____, a _____, with an address at _____, ("Broker").

RECITALS

WHEREAS Broker is in the business of soliciting Commercial Mortgage Loans, Hard Money Loans and SBA Loans; providing prospective borrowers with all the correct information about all our loan program, costs, features and requirements, accepting applications for Commercial Mortgage, Hard Money and SBA Loans; and processing applications, and collecting all the documents needed to process Commercial Mortgage, Hard Money, and SBA loans;

WHEREAS, Referral Agent is in the business of _____ and occasionally refers potential commercial, Hard Money and SBA borrowers for commercial brokerage and lending services Mortgage Loans;

WHEREAS, HMCG is in the business of Brokering Hard Money, Commercial & SBA loans to qualified borrowers to HMCG lending partners;

WHEREAS, Referral Agent and HMCG desire to enter into a NONEXCLUSIVEnAgreement providing for the payment of a fee for loans by Referral Agent and closed and funded made in the manner and in accordance with the terms of this Agreement.



AGREEMENT

Broker Responsibilities

- 1) Broker will solicit Applications from prospective borrowers for Available Loan Programs (as defined in the Activities of HMCG Lending outlined below) that are offered by GCCG Lending, provided that Broker will only solicit applications for business purpose loans, and shall not solicit applications for consumer loans;
- 2) Broker will communicate to prospective borrowers, information about Available Loan Programs offered by HMCG, including the loan program terms, conditions and costs;
- 3) Broker will submit loan Applications to their Relationship Manager at HMCG Lending using our lending platform;
- 4) Broker will obtain authorization from the Borrower once the borrower has agreed to the term sheet provided so HMCG can verify a prospective borrower's credit worthiness, background check, experience, and any other information provided by borrower in the Application in order to facilitate the underwriting of the Application and prospective Guarantors;
- 5) Broker will keep all loan applicants apprised of the status of their Applications;
- 6) Broker will facilitate communication with the borrower and obtain all the information needed to process the loan, and help the coordination of all loans applicant's closing with the HMCG and partners closing team;

Duties and Services of HMCG

- 1) HMCG may, from time-to-time, authorize Broker to accept Applications for loans that conform to the underwriting and any other requirements of one, or more Commercial, Hard Money, or SBA loan programs offered by HMCG partners (Available Loan Programs) provided that HMCG partners may, at its discretion, change or discontinue any Available Loan Programs or, withdraw the Broker's authority to accept Applications;
- 2) HMCG and partners may, at its sole discretion obtain appraisals, BPO's, or hybrid valuations reports from companies approved by HMCG and partners as well as inspections, environmental and engineering reports at the borrower will pay for the cost of all these services;
- 3) HMCG Lending will underwrite Applications submitted to HMCG from Brokers provided that HMCG receives the complete documentation, and information that HMCG requires to perform the underwriting.



- 4) Upon underwriting and credit committee review of an Application, HMCG will provide a commitment letter if the Loan is approved by its partners, or will provide a declination notice if loan is not approved. (Commitment letters, LOI, Preliminary Term Sheet) may include, loan amount approved, renovation budget amount approved, terms, conditions, and stipulations that must be satisfied prior to the loan being , closed, settled and additional stipulations that must be satisfied prior to the loan being funded and any rehab portion of loan to be completed before funded;
- 5) Upon the loan applicant's execution of a commitment letter and provided that HMCG has determined that pre-settlement conditions and stipulations have been satisfied, HMCG partners will prepare a note, security instrument, guarantee, and other loan documents for execution by the loan applicants, and as applicable by the guarantors and coordinate the settlement and funding of the loan;
- 6) HMCG will honor all commission payments if the Broker follows the rules stipulated in this agreement. Any clients/borrowers that come for future loan funding will be assigned to the Original Broker that brought them to HMCG for funding as long as the client/borrower was not an original client of HMCG, or the Broker is no longer an approved Broker with HMCG.

Broker Compensation

- 1) Upon the funding of a Mortgage Loan that was originated by the Broker, HMCG will pay the Broker, the Broker Compensation within 36 to 48 hours of the loan being closed , funded and the funds have been wired to HMCG;

Representations and Warranties of the Broker

Broker represents and warrants that as of the date hereof, and as of each date on which Broker submits a loan Application to HMCG;

- 1) Broker and it's entity are fully organized, and in good standing in the state of its formation, and is qualified to conduct business in each state where Subject Property is located;
- 2) Broker will not discuss any loan program with prospective borrowers, solicit, or accept applications unless the loan program offered by HMCG is an Available Loan Program;
- 3) Upon HMCG partners funding of a Loan, such Loan will be solely the property of HMCG partners and Broker waives all claims of interest, or ownership of such Loan, including servicing if needed of such Loan;



- 4) Broker has the requisite corporate authority, power, and capacity to enter into this Agreement, and Broker's compliance with the terms and conditions of this agreement will not violate the terms of any governing organizations instrument of Broker or any other instrument or agreement to which Broker is a party;
- 5) No Mortgage Loan is subject to any right of rescission, set-off, counterclaim or defense, and none of the terms of any Loan and none of the rights thereunder are unenforceable, in whole or part, on account of any action by Broker, and no such right or recession, set-off, counterclaim or defense has been asserted by any borrower obligated on a Loan or by any third party;
- 6) **No instance of misrepresentation, fraud or material omission occurred or was committed with respect to any Mortgage loan, or Application; Broker is and will be responsible for any misrepresentation, or fraudulent acts and HMCG and partners will report to the Legal Authorities of any fraudulent, misrepresentations, or illegal actions performed by any Broker that sends any referrals, or submit any loans for HMCG partners to fund.**
- 7) Broker has no criminal record, or committed mortgage fraud. Broker does not run any illegal business, or will coach clients, or borrowers to commit mortgage fraud.
- 8) If any client or Borrower forfeits the loan the Broker is responsible for returning any paid commissions from that loan to HMCG the loan originator, lender and or any person that closed and funded the loan and pay any legal, lawyer fees if Broker does not return the paid commission and HMCG or partners seek legal counsel to request the Broker to return the paid fee.

BROKER HML Compensation – HMCG will accept no less than 1% on loans between \$600,00 & 800,000, 1.25% on loans below 600,000 with regard to any and all given Mortgage Loans on top of HMCG partners % that will be disclosed on the term sheet. HMCG will divide the % agreed to be paid by borrower to HMCG and collected at closing and divide that amount by 50% with the Broker

Brokers that present a full loan to HMCG will collect 50% of the points collected. Example loan \$200,000 x 2% = \$4,000. 50% = \$2,000 total commission.

Brokers that only refer potential customers to HMCG, and DO NOT process the loan will only be compensated up to 10% of the max % collected by HMCG at closing.

Example loan: \$200,000 x 2% = \$4,000. 10% = \$400 total commission.

FUNDING Date – with regard to a particular Loan, the date that HMCG receives disburses proceeds for such Loan varies depending on the state and title company. These funds will be used to pay the Brokers fee with the funds and pay their brokers within 36 to 48 hours of the loan being closed, funded and commission have been paid to HMCG.



MORTGAGE Loan – A loan that is commercial in nature, secured by real property and is not a primary residence of the borrower who is, either directly or indirectly obligated for such loan, or the family of borrower, that has been originated by the Broker and funded by HMCG Lending;

Broker – an individual who does any of the following with a prospective borrower; discusses available loan programs, quotes loan terms, or assists in completing an Application;

SBA Loans: HMCG will collect 1.% of the total loan amount and pay the broker .5% if the broker processes the loan. If the broker only refers, and doesn't process the loan HMCG will pay only 1015 of the 1% collected and paid By SBA.

Commercial Loans: HMCG will collect no less than 1.% of the total loan amount and pay the broker 50% of that 1% if the broker processes the loan. HMCG will Not pay any % above that 1%. If the broker only refers, and doesn't process the loan HMCG will only pay up to 5% of the 1% collected at closing.

Additional Terms

- 1) Nothing in this agreement shall create or deemed to create a partnership, joint venture, agency, or employment relationship between HMCG, and Broker, and Broker will not hold itself out as a branch or affiliation of HMCG and will not represent that it can bind HMCG;
- 2) Broker shall be exclusively responsible for all its own costs and expenses in connection with Broker's business, and its handling of Applications including but not limited to payments due to Mortgage Originators; Broker is responsible for paying their own taxes.
- 3) HMCG and partners are under no obligation to approve any Applications, or pay any commissions if the loan is funded, the Broker is no longer an approved broker with HMCG, or the Broker has broken this agreement, or has committed Fraud, or lied to any customer, or coached any borrower to commit fraud, or broken any part of this agreement.
- 4) Broker shall not slander HMCG, orHMCP partners, doing so will result if this agreement being dissolved, and Broker will be responsible for any legal fees resulting from his/her actions. Broker shal desist to refer, or use any of our software, emails, marketing materials and forfeit any commission payments as a result of his/her actions.
- 5) Broker shall not Circumvent HMCG, or to try to get the deal funded by any of HMCG partners, or have the Borrower pay the Brokers commission directly to them.



In consideration of the premises and mutual promises and covenants contained herein, including the recitals, and for other good and valuable consideration the receipt and adequacy of which is hereby acknowledged, Referral Agent and HMCG agree as mentioned above, and below this section:

1) Referral Fee. Referral Agents may, from time to time, refer to HMCG potential borrowers. In the event any potential borrowers so referred close a loan with HMCG, within a reasonable time of the referral, as contemplated by the application, Referral Agent shall be compensated by HMCG partners on such specific transactions. HMCG and Referral Agent acknowledge that all fees paid must be in conformity with all rules and regulations which govern Referral Agent and Referral Agent acknowledges they have complied with all such rules and regulations, and stipulates in this agreement.

HMCG shall make its own credit analysis and shall rely upon its own and partners judgment concerning the approval of any such loan, independent of Referral Agent's recommendations. HMCG partners shall be under no duty or obligation to make any loan or extend credit of any kind, it being understood that all loans and extensions of credit shall be at HMCG and partners sole and absolute discretion. In consideration of the right granted to the Referral Agent under this Agreement, the Referral Agent agrees to use due diligence in seeking out suitable clients and negotiating an acceptable loan contract on behalf of the Lender.

2) Sharing of Fees. The Referral Agent is specifically authorized to engage the services of any subagents and to share fees and commissions with other brokers or agents, provided that full disclosure of any fees sharing, or commission sharing is made to all parties including the borrower, and no additional costs are borne by HMCG and partners without expressed written consent and are mentioned and stipulated on this agreement.

3) Compliance. At all times the Referral Agent must be properly licensed if required by the state he's brokering a loan to provide loans or mortgage services in the jurisdiction that the property and client reside. The Broker is responsible to pay for his/her Taxes.

4) Entire Agreement. This Agreement embodies the entire agreement of the parties. There are no promises, terms, conditions or obligation, other than those contained herein or attached hereto. This instrument supersedes all previous communications, representations, or agreements, Company Services Day Month Yr 2 verbal or written, between the parties. Except as may be specifically set forth herein, and with the exception of the Parties to this Agreement, no person shall claim or have a right to a beneficial interest in this Agreement or any rights occurring by virtue of this Agreement. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder hereof.

5) Validity and Enforceability. All persons signing this Agreement warrant by their signatures that they are authorized to sign the Agreement on behalf of such entity. Each Party has all requisite power and authority to execute this Agreement and to perform all of its obligations hereunder, and this Agreement has been duly executed and delivered by each Party and constitutes the legal, valid and binding obligation of each Party, enforceable in accordance with its terms. All parties warrant by their signatures that they have read this Agreement and fully understand its provisions. The execution, delivery and performance by the Parties of this Agreement: (i) will not result in any breach of, or constitute a default under, any mortgage, agreement or other instrument to which the Parties are a party or by which a party may be bound or affected, or the respective party's governing instruments; (ii) does not contravene any applicable law, regulation or order; (iii) requires no authorization, approval, consent or other action by, and no notice to or filing with, any governmental authority or regulatory body; and (iv) are within a Party's powers and have been duly authorized by all necessary action. The undersigned signatories who sign in a representative capacity on behalf of any person or entity represent and warrant that they are authorized and directed by said entity for which they execute this Agreement to execute this Agreement on behalf of such person or entity. **This Agreement shall be confidential between the parties**, except for such disclosures to regulatory authorities or that may be required by regulation or law, or to accountants or attorneys who are agents for the respective Parties or the underlying borrower.

6) Interpretation; Survival. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. **This Agreement has been negotiated in good faith by and between the parties and shall not be construed against the "drafter" of the Agreement.** If any portion or provision of this Agreement (including, without implication of limitation, any portion or provision of any section of this Agreement) is legally determined to be unenforceable, the remainder of this Agreement shall not be affected by such determination and shall be valid and enforceable to the fullest extent permitted by law, and said unenforceable portion or provision shall be deemed not to be a part of this Agreement. Further, the warranties, indemnities, and other obligations of the parties set forth herein shall survive any termination or expiration of this Agreement and continue in force indefinitely.

7) Termination. This Agreement shall commence on the date of execution hereof and shall continue until the earlier of one year or ten (10) days after written notice to either party from the other that this Agreement is terminated; provided, however, that no such notice shall affect fees which may be owed for any qualified loan for which a referral confirmation letter has been executed. This Agreement shall endure to the benefit of and be binding upon HMCG and Referral Agent and their successors. Nothing expressed in this Agreement is intended to give any person other than the persons mentioned in the preceding sentence any legal or equitable right, remedy or claim under this Agreement.



8) Non-Circumvention. HMCG and _____ agree that, without the prior written consent of both parties, all communications from HMCG or _____ or their respective Representatives regarding either party, any proposed business activity, requests for additional information and discussions regarding procedures and related matters will be directed immediately to all parties and not to any entity, party, its affiliates, or any of their respective Representatives not a party to this Agreement. Brokers shall not Circumvent HMCG to try to get the deal funded by HMCG partners or have the Borrower pay the Brokers commission directly to them. Doing so will result in this agreement being dissolved and Broker paying for any legal fees to HMCG due to the Brokers actions. HMCG will not forfeit any commissions not being paid to HMCG due to Brokers Circumventing this agreement.

9) Communication concerning Proposed Business Activity.

Broker _____ nor any of their respective related companies will, without both party's written prior approval from HMCG, contact or communicate with any director, manager, officer, employee, customer, borrower, contractor, client, distributor, dealer, lender, investor, landlord, lessor, supplier, vendor, or any service provider of either party for any reason related to the business activities contemplated in this Agreement.

10) Independent Contractor. Nothing herein shall be construed as creating an employer / employee relationship, partnership or joint venture or agency relationship between the Parties. Referral Agent shall have no authority to represent HMCG in any capacity or bind HMCG. **Referral Agent/Broker shall be solely liable/responsible for the payment of any taxes imposed, required by law or arising out of the payment of the compensation to him for brokering loans for HMCG as set forth in this Agreement.** Additionally, nothing contained in this Agreement shall be construed as granting any license or other property right to any information provided by HMCG or to any trademark or other intellectual property rights of HMCG.

11) Governing Law and Jurisdiction. This Agreement shall be governed, construed, and enforced in accordance with and subject to the laws of **the State of Texas** without reference to choice of law principles and all subject matter and in person jurisdiction shall be the state courts of Texas and as such HMCG and Referral Agent irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Texas and of the United States of America located in Texas for any actions, suits or proceedings arising out of or relating to this Agreement. HMCG and Referral Agent agree not to commence any action, suite or proceedings relating thereto except in such courts and as specifically set forth herein as to disputes being settled through arbitration.



12) Attorney's Fees. If legal action is brought to enforce or interpret this Agreement or any of its provisions, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other recovery to which he or she may be entitled.

13) Signature in Counterparts. This Agreement may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. However, such counterparts shall together constitute one and the same document. A facsimile or scanned copy of any party's signature shall be deemed as legally binding as the original signatures.

Indemnification

To the fullest extent permitted by law, Broker hereby indemnifies HMCG, HMCG partners, and its past, present and future directors, officers, shareholders, employees, attorneys, agents, representatives, affiliates and assigns and holds them harmless from and against, any claims, losses, damages, demands, costs or other liabilities, including reasonable attorney's fees, and the costs of investigations, arising out of Broker's breach or failure to perform any of Broker's covenants, representations, warranties, agreements, duties and/or obligations arising under this Agreement, any acts, omissions or services provided by Broker, its agents, employees, representatives, attorneys, officers, directors or partners, any claim resulting from HMCG and HMCG partners failure, or refusal to fund a loan and any claim by any third party that Broker is a joint venture partner, representative, partner, employee, or agent of or otherwise is affiliated with HMCG. This indemnification shall survive the termination of this agreement.

Term and Termination

- 1) This agreement shall be effective as of the date first written above and shall continue until terminated by a party hereto. Either party hereto may terminate this Agreement, such termination will be effective immediately except with regard to a loan Application where a commitment letter has been signed by an applicant;
- 2) With regard to any Mortgage Loan or Application; Broker's covenants, representations, warranties, agreements, duties, and obligations set forth in this Agreement shall survive the termination of this agreement. In addition, Broker's indemnification set forth in the Indemnification section shall survive the termination of this Agreement.

Miscellaneous

- 1) No waiver or modification of this agreement shall be valid unless executed in writing by both parties hereto. Notwithstanding the foregoing, HMCG reserves the right, at its sole discretion, to amend, update, and modify the Agreement as necessary to comply with Applicable Law. This is the whole agreement, and NO OTHER agreement shall exist out of this agreement.



- 2) Broker expressly agrees that this agreement is an **NDA Non Disclosure Agreement** any copy or copies of this Agreement, and/or facsimile reproductions of **this Agreement IS NOT be ALLOWED to be used for any other purposes except for the purpose of this agreement.**
- 3) This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, representations, and understandings of the parties hereto whether written or oral.

IN WITNESS WHEREOF, each of the undersigned parties to this Agreement has caused this Agreement to be duly executed in its corporate name by one of its duly authorized officers, all as of the date first above written.

Hard Money Capital Group LLC
A Texas limited liability company

John Alvarez, Managing Member

Referral Partner

By: _____

Partner Print Name: _____

Title _____

Date: _____