

Solve Mortgage Consultant Fee Agreement

This Consultant Fee Agreement (“Agreement”) is made and entered into on this ____ day of _____, 202__ (“Effective Date”), and is made by and between PFN Lending Group, Inc., dba Solve Mortgage (“Solve”), and _____, organized in the State of _____, in good standing, (“Consultant”). Solve and Consultant are collectively referred to in this Agreement as the (“Parties”).

Recitals

WHEREAS, Solve is in the business of originating business purpose loans in certain states;

WHEREAS, Consultant is in the business of arranging loans, referring borrowers and other services in furtherance of the origination of those **business purpose loans**; and,

WHEREAS, in the course of Consultant undertaking such business, Consultant desires to send to Solve, and Solve desires to receive from Consultant, introductions to prospective borrowers for the purpose of assisting borrowers applying for and obtaining business purpose loans from Solve under one of Solve’s business purpose term loan, fix & flip, or bridge financing programs (a “Loan”).

NOW, THEREFORE, in consideration of the mutual promises contained herein and the mutual covenants and agreements hereinafter set forth, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

Consultant Agreement

1. **Recitals.** The foregoing recitals are incorporated into this Agreement by reference.
2. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue until one party gives notice of termination to the other party or as otherwise may be terminated as noted in Section 10 (the “Term”).
3. **Consultant Duties.** Consultant shall perform the following duties pursuant to and in furtherance of this Agreement:
 - a. Furnish contact information to Solve from time to time on persons or entities (each a “Borrower”) interested in obtaining a Loan.
 - b. Consultant agrees to provide Solve with direct access to Borrower for the purpose of obtaining necessary documentation and verification of information necessary to underwrite and close the Loan, including but not limited to, an application.
 - c. Consultant agrees to provide Solve with any and all documents in its possession required under the Solve underwriting guidelines, as well as additional documents as may reasonably be requested by Solve in its sole and exclusive discretion.
 - d. Consultant shall respond in a timely manner to all requests from Solve and to assist Solve in obtaining necessary information from Borrower or Borrower’s representative in order to facilitate the underwriting and closing of the Loan.
 - e. Consultant agrees to provide to Solve copies of all material information in its possession regarding Borrower, sponsor, property portfolio and Loan and shall promptly forward to Solve any

and all additional information regarding such Borrower, sponsor, property portfolio and Loan it may receive or obtain.

f. Consultant agrees to supervise, monitor and direct all activities performed by its direct agents and employees in accordance with applicable law, rule and regulation and the terms of this Agreement and shall indemnify Solve for any breaches thereof as more fully set forth herein below. All such agents and employees shall be identified by Consultant to Solve prior to Solve engaging in services with Consultant.

4. **Solve Duties.** Based on Solve's own credit, collateral and other lending criteria, Solve may, in its sole and exclusive discretion, accept and review applications from Borrowers presented to Solve by Consultant. Consultant acknowledges and understands that Solve has not, by its execution of this Agreement, agreed to make any Loan to any Borrower presented to Solve by Consultant. Loan approvals will be determined solely in the discretion of Solve and Solve shall have no liability to Consultant or Borrower in the event Solve declines to approve any Loan application or to fund any Loan for any reason whatsoever.

5. **Independent Contractor.** Consultant is and shall remain an independent contractor with respect to Solve and its affiliates. No employment relationship or agency relationship exists or is intended to exist. Consultant shall not represent, directly or indirectly, to any Borrower or any other party whatsoever, that it is an agent, servant, or employee of Solve or its affiliates.

6. **Originator.** A dba of PFN Lending Group, Inc. will be the originator on loans submitted by Consultant.

7. **Compensation.**

a. For each Loan successfully closed and funded with a Borrower, Solve shall compensate Consultant in accordance with this Agreement as detailed in the most recently issued Consultant Fee Agreement – Addendum (the "Addendum") issued by Solve to Consultant if allowed under applicable law, rule or regulation and if Consultant is not in breach under the terms of this Agreement. For the avoidance of doubt, Solve shall make the final determination in its sole and exclusive discretion as to whether applicable law permits or prohibits payment of any commission or other compensation or whether Consultant is in breach of the terms of any applicable law or this Agreement. Such determination will be made in good faith.

b. Consultant acknowledges and agrees that Solve may change and/or amend the Addendum from time to time in its sole and exclusive discretion on a prospective basis only. Any change made by Solve after Solve's receipt of a fully executed term sheet shall not affect Consultant's compensation unless a determination is made by Solve that payment of any compensation to Consultant is in violation of any law, rule or regulation or if Consultant is in breach of Consultant's obligations under the terms of this Agreement as stated herein.

c. Notwithstanding the foregoing, in the event that Solve receives multiple executed term sheets with respect to a Loan, then Solve shall only be obligated to pay compensation in connection with the last executed term sheet actually received by Solve and which term sheet Solve accepts to commence its review, due diligence and underwriting process.

d. Solve agrees to pay Consultant by wire transfer or U.S. mail at the address outlined herein the full sum of compensation earned within thirty (30) days after successful closing and funding of the Loan provided there is no breach of law or this Agreement.

e. Consultant fees will only be paid to Consultant in accordance with applicable state and federal law, rule or regulation and where Consultant is either a licensed mortgage broker or banker in jurisdictions requiring such licenses or in jurisdictions in which Consultants are exempt from licensing. The burden of proof of compliance with licensing in the jurisdiction where the Consultant is engaged in business **and** the jurisdiction where the subject property giving rise to the Consulting Fee is located is the sole and exclusive responsibility of Consultant.

8. **Consultant Representations and Warranties.** Consultant represents, warrants and covenants to Solve as of the time each Loan and Applicant information is submitted to Solve the following:

a. **Authority and Capacity.** Consultant has all requisite power and authority to execute and enter into this Agreement and to perform the obligations required of it hereunder. The execution and delivery of this Agreement and all documents, instruments, and agreements required to be executed by Consultant pursuant hereto, and the consummation of the transactions contemplated hereby, have each been duly and validly authorized by all necessary action of Consultant. This Agreement constitutes a valid, legal, and binding agreement of Consultant enforceable by Solve in accordance with its terms, subject to bankruptcy, insolvency, reorganization, receivership, or other laws affecting rights of creditors generally, and general equity principles.

b. **Organization.** Consultant is duly organized, validly existing and in good standing under the laws of the jurisdiction where it is organized.

c. **Duly Licensed.** Consultant has all licenses necessary to carry on its business as it is now being conducted and is duly licensed and qualified, where required by law, to the extent that Consultant engages in the business of coordinating or arranging real estate-secured mortgage loans that have a commercial or business purpose. Consultant is in full compliance in all respects with all regulatory and supervisory agencies having jurisdiction over the Consultant. In the event of any change in Consultant's licensing status, legal condition, or if any representation contained in this Agreement or otherwise submitted to Solve should change or no longer be accurate, Consultant agrees to immediately notify Solve consistent with this Agreement. The burden of proof of compliance with licensing in the jurisdiction where the Consultant is engaged in business **and** the jurisdiction where the subject property giving rise to the Consulting Fee is located is the sole and exclusive responsibility of Consultant.

d. **States Solve Lends, but which Consultants must hold a Broker's License**

States where Solve lends, but the Consultant needs to be licensed as a Mortgage Banker or Mortgage Broker to be eligible for a Consulting Fee: Arizona, California, Florida, Idaho, Illinois, Kansas, Michigan, Minnesota, Nebraska, Nevada, New Jersey, North Carolina, Oregon, Rhode Island, South Carolina, Tennessee, and Utah.

- In Arizona, California, Idaho, Michigan, Minnesota, Nevada, New Jersey, New York, North Carolina, Oregon, and South Carolina a Consultant would need to be a licensed real estate broker to receive payment from Solve for a consulting fee. See Arizona Stat. Ann. 6-903(A); California Business Code 10131(d); Idaho Ann. 26-31-203(2); Michigan Comp. Laws 339.2501; Minnesota Stat. Ann. 82.81(1); Nevada Stat. Ann. 645B; New Jersey Stat. Ann. 45:15-3; North Carolina Stat. Ann. 66-109(a); Oregon State 86A.103(1); South Carolina Ann. 54-14-13.

- In Kansas and Nebraska, the 3rd party broker would need to be registered as a loan broker in the state to receive payment from Solve of a consulting fee. See Kansas Stat. Ann. 50-1002; Nebraska Rev. Stat. 45-190.02(1).
- Licensing in Florida, Rhode Island and Utah is only required for loans made to individuals. No license is required for loans made to limited liability companies or corporate entities. See Florida Stat. Ann. 494.00115(2)(d); Rhode Island Laws 19-14-1(4)(i). Utah Laws 70D-2-101.

Solve does not finance business purpose loans in North Dakota, South Dakota or Vermont.

e. **No Untrue Statements.** Consultant has complied and shall comply with Solve's lending criteria which is to originate loans for commercial or business purposes only and not for any personal, family or household use even though such loans may be secured by residential 1-4 family properties.

Moreover, none of the statements or information contained in any document submitted with or included in as part of any Borrower application or request for an extension of credit or in any document reviewed in connection with Solve's underwriting decision, whether provided directly by Consultant, the applicant or another third party, contains or will contain any misleading, false or erroneous statement, or omit facts necessary to make such statements or information accurate and understandable in every respect.

f. **Absence of Claims.** There is no claim, litigation, investigation (including but not limited to state, federal, or regulatory investigations), or proceeding (including but not limited to regulatory or grand jury proceeding) pending or threatened against or otherwise materially adversely affecting Consultant's business, performance of its obligations under this Agreement or the validity or enforceability of this Agreement and Consultant has no knowledge of any circumstance indicating that any such suit, investigation, or proceeding is likely or imminent.

g. **Absence of Third Parties.** Consultant has not dealt with any broker, investment banker, agent or other person or entity, other than its employees, that may be entitled to any commission or compensation in connection with presenting the borrower to Solve or who has otherwise worked with the prospective applicant for a Loan.

h. **Compliance with Laws.** Consultant has complied with, and will continue to comply with, all local, state, and federal laws and regulations applicable to Consultant's business, including but not limited to the compliance with all laws, rules and regulations applicable to anti-money laundering and related laws and regulations. Additionally, Consultant verifies the identity of and performs applicable sanction screening, OFAC checks and follows all other laws as it relates to the employment of and engagement of its employees and agents.

i. **No Material Adverse Effect.** For each Borrower introduced to Solve by Consultant, Consultant covenants and warrants that to the best of Consultant's knowledge, no condition exists and no event has occurred with regard to such Borrower that has, or with the passage of time will have, a (i) material adverse effect upon the operations, business, properties or condition (financial or otherwise) of the Borrower or any affiliate of the Borrower that is a party to any Loan document; (ii) material impairment on the ability of Borrower or any affiliate of Borrower that is a party to any Loan document to perform under any Loan document and to avoid any event of default thereunder; (iii) material adverse effect upon the legality, validity, binding effect or enforceability

of any Loan document against Borrower or any affiliate of Borrower that is a party to any Loan document; or (iv) material adverse effect upon the ability of Solve to extend credit to any Borrower. **In the event of any change in Consultant's licensing status, legal condition, or if any representation contained in this Agreement or Consultant's Registration Form submitted to Solve should change or no longer be accurate, Consultant agrees to immediately notify Solve at the number supplied in the Registration materials of any such change.**

9. **Right to Audit.** Solve reserves the right to audit Consultant's compliance with the terms of this Agreement and Consultant will cooperate with any reasonable requests by Solve to document Consultant's compliance.

10. **Non-Disclosure and Non-Disparagement.**

a. Consultant agrees not to disclose the terms of this Agreement to any third party except as may be required by applicable law or the rules of regulatory organizations with appropriate jurisdiction; however, such terms shall not include the existence of this Agreement and the identity of the parties to this Agreement. Consultant will keep confidential and not disclose to any third party, except with the written consent of Solve, or as may be required by applicable law or the rules of regulatory organizations with appropriate jurisdiction, any proprietary or confidential information concerning the business of Solve that it acquires in the course of carrying on its obligations under this Agreement, including, without limitation, any information about a prospective borrower, borrower or closed Loan, and the terms of financing or structures of Solve's business or any other details of Solve's business plan. Prior to disclosing any proprietary or confidential information of Solve to a governmental or regulatory authority, the Consultant will immediately notify Solve so that Solve may take whatever action it considers appropriate under the circumstances.

b. Consultant or any affiliated party or employee thereof further agrees not to disparage or make any statements, remarks or other comments (including but not limited to, making or causing posts or comments in social media and similar forums) about Solve, its officers, directors, executives, affiliates or parent companies to any third party about its operations, business or proprietary rights. Consultant agrees that a violation of this section will be grounds for immediate termination of this Agreement and Consultant shall forfeit all commissions in process as a result of such breach as the damage caused to Solve shall be irreparable.

11. **Termination.** This agreement may be terminated by either Solve or Consultant at any time with or without just cause upon five (5) days prior written notice. Termination shall not affect or change the obligations of the parties to this Agreement with respect to any amounts that may be properly due and payable to Consultant relating to executed term sheets received prior to the date of termination or limit Consultant's duties or obligations to Solve under this Agreement. Further, this Agreement may be terminated by Solve immediately, with written notice to Consultant, if Consultant (i) defaults in the performance of this Agreement, (ii) breaches any of its representations or warranties (including but not limited to 7 (c), (g), and (h)), (ii) acts negligently, or if (iv) fraud, misrepresentation or collusion is discovered as to any Borrower. Upon such termination for cause, Solve's obligations under this Agreement shall immediately terminate.

12. **Indemnification.** Consultant hereby agrees to indemnify and hold Solve and its third-party investors free and harmless from and against any and all liability, expense, cost, loss or damage which Solve may incur by reason of any act or omission of Consultant or its employees or agents with respect to

any of the representations and warranties made in this Agreement, the Loans and/or Borrowers referred, unless the same act or omission results from the gross negligence or willful misconduct of Solve, or its employees or agents, excluding any Consultant. For the avoidance of doubt, Consultant agrees to indemnify and hold harmless Solve and its successors and assigns and its third-party investors from any claim, action, liability, loss, damage or suit arising from the presentation of any borrower by Consultant, including but not limited to, fines and/or penalties assessed by a local, state or federal regulator asserting that Consultant was not properly licensed or authorized to Consult or arrange loans or to be compensated for such services. Consultant hereby agrees to indemnify and hold harmless Solve from and against any litigation resulting from a borrowers', its heirs' and/or its successors' complaint regarding any aspect of the loan.

Where any claim is asserted, Solve shall provide Consultant with reasonable timely notice of same in writing. Thereafter, Consultant shall at its own expense defend, protect and hold harmless Solve against said claim or any loss or liability resulting therefrom. Should Consultant fail to so defend and/or indemnify and hold harmless, then, in such case, Solve shall have full rights to defend, pay or settle said claim on their own behalf without notice to Consultant for all fees, costs, and payments made or agreed to be paid to discharge said claim. Consultant agrees to pay all reasonable attorneys' fees, expenses, costs necessary to enforce said indemnification and hold Solve harmless from all litigation.

The obligation and covenant to indemnify as provided herein shall be unlimited as to amount or duration, and it shall be binding upon and inure to the benefit of the parties, their successors, assigns and personal agents and representatives.

13. **Early Payoff.** With respect to any Loan that prepays in full on or prior to the borrower making 6 (six) scheduled monthly mortgage payments following the related Closing Date, Solve may, in its sole discretion, subject to Applicable Requirements, require Consultant to reimburse Solve all compensation received by Consultant for such Loan. With respect to any Loan that prepays in full on or prior to the borrower making 6 (six) scheduled monthly mortgage payments that has a pre-payment penalty associated with it, Solve, at its sole discretion, may apply the amount of the prepayment penalty paid by the borrower to the early payoff fee and require Consultant to pay any shortfall. Payment by Consultant to Solve shall be accomplished by wire transfer within fifteen business days following receipt from Solve of written demand from Solve pursuant hereto. Any refund will comply with the loan originator compensation rules under the Truth in Lending Act, 12 C.F.R. § 1026.36(d) & (e), as may be amended from time to time.

14. **Early Default.** If any loan submitted by Consultant to Solve shall be in default (30 days or more delinquent; lack of hazard insurance) within one hundred eighty (180) days of the date the Mortgage Loan was consummated/funded, then Consultant shall, within twenty (20) days after receipt of notice from Solve, reimburse the amount of any "service release premium" and/or "yield spread premium fee" (as those terms are defined for federal disclosure purposes) previously paid to Consultant by Solve as compensation (full premium recapture) in addition to an administration fee of \$3,000. Payment by Consultant to Solve shall be accomplished by wire transfer within fifteen business days following receipt from Solve of written demand from Lender pursuant hereto. Any refund will comply with the loan originator compensation rules under the Truth in Lending Act, 12 C.F.R. § 1026.36(d) & (e), as may be amended from time to time.

15. **LIMITATIONS OF LIABILITY.** NOTWITHSTANDING ANY OTHER PROVISION HEREOF, IN NO EVENT SHALL PFN LENDING GROUP INC., DBA SOLVE MORTGAGE, ITS AFFILIATES, DIRECT OR INDIRECT

SUBSIDIARIES, AGENTS, EMPLOYEES OR REPRESENTATIVES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND, NOR FOR ANY LOST PROFITS OR REVENUES, IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT.

16. **Miscellaneous.**

a. **Survival.** The representations, warranties, covenants, agreements and every other obligation contained in this Agreement shall survive the termination of this Agreement and the transactions provided for herein and shall be fully applicable whether or not Solve relies thereon or has knowledge of any facts at variance therewith.

b. **Notice.** Any notice to be provided under this Agreement by any party to another party may be affected either by personal delivery in writing, or by registered or certified mail (postage prepaid with return receipt requested), or by overnight delivery service by a commercially reputable service. Notices shall be addressed to PFN Lending Group, Inc., dba Solve Mortgage at 5016 N Parkway Calabasas, Suite 200, Calabasas, California 91302. Notices to Consultants will be provided to the addressee at the Business Address identified in this Agreement.

c. **Assignment.** Consultant shall not share, transfer or assign any or all of its rights or interests under this Agreement or delegate any of its obligations without the prior written consent of Solve. Consultant is independently reviewed and evaluated for purposes of meeting Solve's standards.

d. **Third Parties.** This Agreement is made for the express benefit of Consultant and Solve, not for the benefit of any third parties.

e. **Governing Law, Disputes, and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to choice of law provisions.

f. **Severability.** The invalidity or unenforceability of any provision within this Agreement shall in no way affect the validity or enforceability of the remainder of this Agreement or any other provision hereof.

g. **Modification; Waiver.** No oral modifications of this Agreement shall be effective, and no delay or failure on the part of either party to insist on compliance with any provision hereof shall constitute a waiver of such party's right to enforce such provision. No amendments will be effective unless executed in writing. Nothing in this paragraph shall be interpreted to restrict Solve's right to modify any Loan guidelines or to change the Addendum referenced in Section 6 above.

h. **Construction.** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa. The paragraph headings contained in this Agreement are for convenience only and shall not be construed as part of this Agreement.

i. **Attorneys' Fees.** In the event litigation shall be instituted to enforce any provision of this Agreement, the prevailing party in such litigation shall be entitled to recover reasonable attorneys' fees and expenses incurred in such litigation in addition to any other recovery to which such party may be legally entitled.

j. **Disputes as to Certain Terms.** In the event the terms of this Agreement are disputed by the parties, both parties agree that the terms shall not be interpreted against Solve merely because the Agreement was drafted by counsel for Solve.

k. **Entire Agreement.** This Agreement contains the entire agreement between the Parties with respect to the scope of services included herein and supersedes all previous written and oral negotiations, commitments and understandings.

l. **Counterparts.** This Finder's Fee Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed and delivered by its duly authorized representative.

PFN Lending Group, Inc., dba Solve Mortgage, its successors and/or assigns:

5016 N Parkway Calabasas, Suite 200

Calabasas, CA 91302

Tel: (888) 533-4829

Attn: Bryan Campbell, SVP/CTO

By: _____
Bryan Campbell
SVP/CTO

_____ Date

CONSULTANT:

Address:

Tel:

Email:

By: _____
_____ Date

Name: _____

Its: _____

Consultant Background Authorization

ALL DATA BELOW IS REQUIRED

Name:		Title:
Years In Business:	Telephone:	email:
Date of Birth:		Social Security Number:
Street Address:		
City:	State:	Zip:

I/We hereby authorize PFN Lending, Group, Inc., dba Solve Mortgage ("Solve") to obtain verification from any source as to the accuracy of the information provided herein and to obtain credit and background information as necessary regarding the Consultant and its principals as part of its approval process. I/We hereby release, discharge, exonerate and covenant not to sue any person or entity providing information to Solve in connection with this application and any recipient of such information including Solve or its representatives from any and all liability of every nature and kind arising from or in conjunction with the furnishing receipt and review of such information.

Consultant will receive a link to Solve's authorized background credit company vendor. Consultant agrees to comply with credit vendors consent forms in order for a complete background check to be completed (inclusive of a soft-pull credit report).

Signature of Consultant

Date

Printed name of Consultant

Title

Consultant Fee Agreement – Addendum

For value received, Solve agrees to pay eligible Consultants as follows:

A. CONSULTANT FEE FOR EACH BUSINESS PURPOSE LOAN

Lender Paid: Up to 400 basis points (4%) on closed and funded loans unless otherwise agreed to in writing.

The loan must have a pre-payment penalty fee. Compensation will be paid 100% from Lender Discount Points; no rebates.

B. Early Payoff. With respect to any Loan that prepays in full on or prior to the borrower making 6 (six) scheduled monthly mortgage payments following the related Closing Date, Solve may, in its sole discretion, subject to Applicable Requirements, require Consultant to reimburse Solve all compensation received by Consultant for such Loan. With respect to any Loan that prepays in full on or prior to the borrower making 6 (six) scheduled monthly mortgage payments that has a pre-payment penalty associated with it, Solve, at its sole discretion, may apply the amount of the prepayment penalty paid by the borrower to the early payoff fee and require Consultant to pay any shortfall. Payment by Consultant to Solve shall be accomplished by wire transfer within fifteen business days following receipt from Solve of written demand from Solve pursuant hereto. Any refund will comply with the loan originator compensation rules under the Truth in Lending Act, 12 C.F.R. § 1026.36(d) & (e), as may be amended from time to time.

C. Early Default. If any loan submitted by Consultant to Solve shall be in default (30 days or more delinquent; lack of hazard insurance) within one hundred eighty (180) days of the date the Mortgage Loan was consummated/funded, then Consultant shall, within twenty (20) days after receipt of notice from Solve, reimburse the amount of any “service release premium” and/or “yield spread premium fee” (as those terms are defined for federal disclosure purposes) previously paid to Consultant by Solve as compensation (full premium recapture) in addition to an administration fee of \$3,000. Payment by Consultant to Solve shall be accomplished by wire transfer within fifteen business days following receipt from Solve of written demand from Lender pursuant hereto. Any refund will comply with the loan originator compensation rules under the Truth in Lending Act, 12 C.F.R. § 1026.36(d) & (e), as may be amended from time to time.

PFN Lending Group, Inc., dba Solve Mortgage retains the right to amend, modify or terminate any part or all of this Consultant Agreement at any time and for any reason it deems sufficient.