



Blue Sapphire Investments (CA), Inc.

W2 Commission Employee Agreement

BLUE SAPPHIRE INVESTMENTS (CA) INC.

Loan Officer Compensation Agreement

The AGREEMENT is made as of _____ this day of _____, 20____, by and between **Blue Sapphire Investments (CA) Inc.** ("*Employer*") and _____ ("*Employee*").

RECITALS

Employer is engaged in the Mortgage Banker business and specifically in the Origination, Processing, Selling, of mortgage loans through a head office and a multi-state network of branch offices. Employee is willing to be employed by Employer and Employer is willing to employ Employee under the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of mutual promises, Employer and Employee convenient and agree as follows:

I. **EMPLOYMENT:** Employer hereby hires Employee as a Loan Officer in the office located at **29400 Kohoutek Way, Ste. 150, Union City, CA 94587** and Employee hereby accepts such hiring. Employee shall continue to be bound by this Agreement in the event Employee is transferred to another office.

II. DUTIES OF EMPLOYEE:

A. Employee's authority shall be limited to performing those activities, and ONLY those activities, expressly set forth in this AGREEMENT as follows-

SCOPE OF DUTIES: Employee shall carry on the customary activities of the position for which employed as outlined in the attached Job Description (**Exhibit "A"**).

B. **RIGHT OF CONTROL:** The performance of Employee's duties shall be subject to the general supervision of Employer over all phases of Employee's work. Employee shall obey all Employer rules and regulations (Employer's Policies) now or subsequently in effect, including, but not limited to, those set forth in the attached Quality Control Plan and Quality Control Statement (**Exhibit "B"**). Employee acknowledges reading and understanding Employer's Policies and Agrees to abide by such policies. Employee also acknowledges familiarity with federal, state, and local laws and regulations covering the mortgage brokering business (including, but not limited to, RESPA, Truth-in-Lending, consumer credit and fair housing) and agrees and covenants that Employee will keep current therewith and to at all times during the course of his/her employment comply with such rules and regulations, including but not limited to all relevant federal, state and local laws, rules and regulations of any jurisdiction in which he/she may be working.

C. **BEST EFFORTS BY EMPLOYEE**: Employees shall at all times faithfully render all services that may be required pursuant to this Agreement and shall devote all time and energy Exclusively to the performance of duties under this agreement for and on behalf of Employer. In rendering such service, Employees shall use only forms, documents, and promotional and advertising material approved in advance by Employer. Employee shall devote Employee's entire productive time, ability, and attention to the business of the Employer during the term of this Agreement. Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of Employer.

D. **AUTHORITY OF EMPLOYEE**: (1) Employee's authority shall be limited to performing those activities specifically outlined in this Agreement and as described in policies and procedures in effect and as amended, from time to time by Employer. (2) Employee's authority to lock loans shall be governed and restricted by the written policies and procedures of Blue Sapphire Investments. Any deviation there from, shall require the advance written approval of Employee's branch manager. Employee in all instances shall be liable to Employer for losses sustained due to Employee's failure to properly lock a loan in the system when the loan applicant has been led to believe that the loan is locked, and Employee is further EXPRESSLY FORBIDDEN from making ANY inaccurate statements or representations to any current or prospective borrower at ANY time. In the event of such a loss, Employee shall reimburse Employer promptly on demand, and in any case, within ten days or less of Employee's receipt of such verbal or written demand, whether by voice, telephone, "email," facsimile, or letter. Employer may at its option deduct such losses from the commissions due Employee, whether Employee remains an Employee or is terminated. (3) Employee shall not have authority to order appraisal or credit report prior to collecting fees therefore. If the Employee violates this provision, the Employee will be responsible for payment of the fees associated with the appraisal and/or credit report. Employer may at its option deduct such reimbursable fees from commissions due Employee, whether Employee remains an Employee or is terminated.

III. **DUTIES OF EMPLOYER**: Employer will provide Employee with desk space and other support as Employer may deem necessary for the performance of Employee's duties under this Agreement.

IV. **COMPENSATION**: Employer agrees to pay and Employee agrees to accept the compensation as specified in (**Exhibit "C"**).

V. **TERMINATION**:

A. **NOTICE**: Employment and compensation under this Agreement can be terminated, with or without notice, at any time, at the option of either Employer or Employee.

B. **SUPPLIES AND DOCUMENTS**: Upon termination of this Agreement, Employee shall deliver to Employer all supplies, office equipment and Documents including if applicable, a complete list of all pending loan applications and loan transactions.

C. **POST-TERMINATION COMMISSIONS**: If termination is voluntary on the part of Employee shall be entitled to full commissions for loans funded before date of termination; one-half commissions for loans funded in the thirty (30) day period following the date of termination; and no commissions for loans funded after thirty (30) days following date of termination.

VI. **AUTOMOBILES**: If the duties performed by Employee require the regular use of an automobile, the parties agree to the following conditions:

A. Employee shall furnish and maintain his/her own automobile at his/her own expense.

B. Employee shall maintain full and comprehensive insurance coverage at his/her own expense.

VII. **MISCELLANEOUS PROVISIONS**:

A. **RELATIONSHIP OF THE PARTIES**: This Agreement and the employment relationship between Employer and Employee shall not be construed to create in any manner or for any purpose a principal-employee relationship. Except as herein provided, Employee has not authority to make commitments, approve credit, or otherwise, bind Employer in any manner, nor is Employee authorized or permitted to represent or hold himself/herself out as a corporate officer of Employer or as having any authority whatsoever to commit, bind, contract on behalf of , indebt, or in any manner obligate Employer to any person, company, corporation or any other legal entity in any manner whatsoever.

B. **ENTIRE AGREEMENT**: This Agreement is intended to complete and constitute the entire understanding between the parties and supersedes any prior written or oral agreements.

C. **MODIFICATIONS**: Employer reserves the right to modify this Agreement upon five business days written notice to Employee. Such notice may be made orally by voice telephone or by 'email' but shall nonetheless be confirmed by written letter. Such modifications shall not affect commissions earned in accordance with the terms of this Agreement, but not yet paid.

D. **SEVERABILITY**: A judicial, or administrative determination of invalidity, in whole or in part, of any provision of this Agreement shall NOT affect the validity or enforceability of any of its other provisions.

E. **WAIVER**: Employer's failure to insist, in one or more instances, upon the performance of any of the provision of this Agreement shall not be construed as a

waiver or relinquishment of Employer's right to insist upon, or enforce said provisions with respect to any such future performance of same.

F. ALL APPRAISALS MUST be paid by the individual loan officer or borrower.

G. Employee/Loan Officers are EXPRESSLY PROHIBITED UNDER ANY CIRCUMSTANCES to open ANY bank or other financial account under the name of Blue Sapphire Investments, or ANY variant thereof including but not limited to Blue Sapphire Inc, Blue Sapphire Investments Company, Blue Sapphire Financial, etc.

VIII. BREACH OF AGREEMENT BY EMPLOYEE

A. The willful breach by Employee of any of the terms and provisions of this Agreement, including but not limited to non-compliance with the policies and procedures of Employer, will be grounds for immediate termination FOR CAUSE. In light of the fact that such a breach necessarily exposes BLUE SAPHIRE to not only financial loss, but legal and regulatory exposure, potential damages, costs, and loss of reputation and future earnings, accordingly the parties hereto agree that should employee be terminated with cause due to any such violation, then Employee shall indemnify immediately upon demand, Employer, its officers and employees, as to all costs, losses etc. it/they may incur as a direct and proximate result of such breach; and further, any commissions related to the act(s) or loan(s) involved in said breach shall be forfeit.

EMPLOYER AND EMPLOYEE ACKNOWLEDGE THAT THEY HAVE CAREFULLY READ AND UNDERSTAND EACH AND EVERY PROVISION OF THIS AGREEMENT INCLUDING ANY AND ALL EXHIBITS ATTACHED HERETO AND THEREBY INCORPORATED HEREIN.

Executed at _____ on _____.

Employee:

Signature

Name (Printed)

Address

Phone Number

Employer:

Blue Sapphire Investments

By: _____

Its: _____

EXHIBIT A

EMPLOYEE POSITION DESCRIPTION

TITLE: Loan Officer

Date:

REPORTS TO: Branch Manager
Residential Production

SUMMARY OF POSITION:

This position is accountable for ensuring achievement of maximum branch loan volume within the quality guidelines of company policies and government regulations. The Loan Officer shall be Responsible for solicitation of Spot Loans from Real Estate Brokers and sales staff and other potential sources of homebuilder residential loan originations.

SPECIFIC ACCOUNTABILITIES:

1. Ensures development of new originations by marketing loan products to real estate salespeople.
2. Maintains current working knowledge of company products and guidelines through attendance of meetings, seminars, workshops, conventions, and internal communication.
3. Represents the company at local industry-related functions and maintains a high visibility among local housing/home finance professional and trade organizations.
4. Performs special projects as requested by the Branch Manager.
5. All advertising must be approved IN ADVANCE by Blue Sapphire Investments (CEO) including but not limited to business cards, marketing circulars, flyers etc.

QUALIFICATIONS:

Experience in mortgage banking, real estate lending, or related industry; demonstrated sales and public relations skills; knowledge of technical aspects of residential lending and advanced verbal and written communication skills, where appropriate. Basic math skills required.

Signature

EXHIBIT B

BLUE SAPPHIRE INVESTMENTS QUALITY CONTROL STATEMENT

The purpose of this Quality Control Statement is to familiarize each of our Employees with the policies and procedures of Blue Sapphire Investments. Employees are required to read and sign this statement and attach your Quality Control Plan.

The management of Blue Sapphire Investments strives for the highest degree of integrity and professionalism in the conduct of our business. Our policies are designed to lead to the highest quality of loan origination and servicing. Management will consistently review its quality control procedures in order to improve them and to keep them current. Employee suggestions for improvement are solicited and encouraged.

In the course of our business we make representations and warranties to our investors and others with whom we deal. Among them are:

- a. That all documentation in our files is complete and accurate as to the information within and contains no misleading information;
- b. That all information reported to us by the application has been completely and accurately represented in the file;
- c. That we have no knowledge of any adverse information concerning the applicant or any other aspect of the submitted file, which is not reflected in any of the written documentation in that file;
- d. That all documents have been prepared, executed, and delivered as required by law;
- e. That all signatures and initials are authorized and genuine;
- f. That all applicable federal and state laws, rules and regulations have been complied with, including but not limited to, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Flood Disaster Protection Act, the Truth-in-Lending of 1968 and any applicable rules and regulations set forth by FNMA, GNMA, FHA, and VA.

The Blue Sapphire Investments Quality Control Plan is designed to insure that we meet and/or surpass all of our responsibilities in these and other areas. The integrity of Blue Sapphire Investments in all aspects of its business is the responsibility of each and every Employee. Your job with Blue Sapphire Investments will never be placed in jeopardy for following its Quality Control Plan or for reporting suspected violations. If questions or disagreements arise you should immediately bring them to the attention of senior management for guidance. If you have knowledge of anyone or anything which is not in compliance with these policies or which may otherwise jeopardize the integrity of this company or its operations, you MUST bring it to the attention of senior management immediately.

Failure to comply with the principles of this statement and/or the Blue Sapphire Investments Quality Control Plan could result in immediate termination. Willful and/or reckless failure to so comply can result in immediate termination for cause.

I hereby acknowledge that I have read and understand this statement and agree to comply with it and the Blue Sapphire Investments Quality Control Plan

Signature

Date

EXHIBIT C
FULL TIME LOAN OFFICER

COMMISSIONS:

\$1,000.00 Flat Fee – per loan

\$ 375.00 Annual W2 Contract setup fee.

Fee to accompany this W2 employment agreement upon submission.

Commissions are paid weekly.

Employee:

Signature

Employer:

Blue Sapphire Investments

By: _____
Its: _____

EXHIBIT D

NON-DISCLOSURE & NON-COMPETE ADDENDUM

A.

Employee, during the term of employment under this Agreement, will or may have access to various Employer forms, procedures, files, records, documents, proprietary information, correspondence, business card files, memoranda, pricing and marketing information, trade secrets, vendor and affiliate information, financial information concerning Employer and its affiliates, notes, computer records, reports, customer lists reflecting former, current and prospective customers, printouts, manuals, computer equipment and software, pagers, telephone cards, keys, security cards and other entry devices for access to Employer's facilities or those of Employer's affiliates, and other documents (and all copies thereof) and similar items relating to the business of Employer which are owned by Employer and which are regularly used in the operation of the business of Employer (collectively, "Confidential Materials"). Employee shall not disclose, nor reproduce, any Confidential Materials nor use them in any way during the term of this Agreement, except as required in the normal course of Employee's employment, and at no time thereafter. All confidential materials shall remain the exclusive property of the Employer and shall not be copied, in whole or in part, or removed from the premises of Employer under any circumstances whatsoever without the prior written consent of Employer, except as required in the normal course of Employee's employment hereunder. At all times hereafter, Employee will not, except with Employer's express prior written consent, directly or indirectly, provide, communicate, disclose or divulge to any individual, sole proprietorship, joint venture, partnership, corporation, association or any other governmental or non-governmental entity or authority (collectively "Person"), or use for his/her own benefit or the benefit of any Person, any Confidential Materials, no matter when or how acquired, except for information which (i) is in the public domain or (ii) the disclosure of which is required by law. Employee acknowledges the proprietary nature of the Confidential Materials and understands that the Confidential Materials must be maintained in strict confidence in order for Employer to protect its business and its competitive position in the marketplace as well as to protect the proprietary information of its customers in accordance with applicable law.

B.

Employee shall communicate to Employer and preserve as proprietary information of Employer each discovery, idea, design, customer list, invention and improvement relating in any manner to Employer's business, whether or not reduced to practice, which is conceived, developed or made by Employee, whether alone or jointly with others, at any time during the employment term hereof (such discoveries, ideas, designs, client lists, inventions and improvements are collectively referred to hereinafter as "Employee's Discoveries"). All of Employee's Discoveries shall be Employer's exclusive property, and all of Employee's right title and interest therein are hereby irrevocably assigned to Employer. Employee shall not, except with Employer's prior written consent, or except in the proper course of his employment with Employer, use any Person (as defined in Section 5.1), or disclose any of Employee's Discoveries to any outside Person through publication or in any other manner.

C.

Upon termination of employment with Employer for any reason, or when the Employer may so request, Employee will immediately deliver to the Employer any or all property of Employer in Employee's possession, including, but not limited to, Confidential Materials and Employee's Discoveries, which Employee may then possess or have under his/her control.

D.

During the term of Employee's employment and upon termination of employment by Employee or Employer, and for a period of one (1) year thereafter, Employee expressly covenants and agrees that Employee shall not, either directly or indirectly (1) interfere with the business of Employer; (2) solicit, attempt to hire or hire any personnel, Employees, independent contractors or employees of Employer or any of its subsidiaries or affiliates (other than Employee, without written consent of Employer; (3) solicit the transfer of loan application files to another organization or person of any customer or prospective customer of Employer; and (4) contact or solicit any of Employer's past, current or prospective customers.

Employee acknowledges that each, every, and all prospective borrowers with which Employee comes into contact during the term hereof, whether by referral, direct origination, marketing or other means, are exclusive prospects of Employer and, accordingly, Employee agrees and warrants that during the term of this Agreement and for one (1) year thereafter Employee shall not in any manner refer any such prospective borrower(s) to any competing entity providing mortgage services or products offered by Employer's affiliates, excepting that Employee may refer same directly to Employer's affiliates.

Signature

Date

COMMISSION SALES EMPLOYEE AGREEMENT

**EMPLOYMENT AGREEMENT
(PAID W2 ONLY)**

THIS AGREEMENT is made by and between BLUE SAPPHIRE INVESTMENTS ("Employer"), and _____ ("Employee").

ARTICLE I
TERM OF EMPLOYMENT

1.1 Employer hereby employs Employee, and Employee hereby accepts employment with Employer. The parties mutually agree that employment with Employer will be on an at-will basis and that this Agreement does not contain or constitute a guarantee of employment for any specific period. At any time and for any reason, Employer may terminate Employee's employment with or without cause or notice other than required by law. Employee may resign or terminate his/her employment, but acknowledges that, if he/she resigns, the Employer will need a certain period of time to locate a replacement. Accordingly, Employee will give at least two-week's notice prior to resignation. However, Employer, at its absolute discretion, may instruct Employee to leave earlier, and if so requested, Employee shall do so and his/her employment shall end as of such earlier date designated by Employer.

ARTICLE II
DUTIES OF EMPLOYEE

2.1 Employee is hereby employed as a W2 Commissioned Sales Employee at Employer's _____ Office (Branch) and as such, shall solicit, originate, negotiate, secure, process, and administer the closing of residential mortgage loans as specifically directed by Employer, and shall perform any other related duties requested by Employer.

2.2 Employee shall devote Employee's entire productive time, ability, and attention to the business of the Employer during the term of this Agreement, and Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of Employer. **Employee is EXPRESSLY NOT allowed to broker or submit any loans to any outside investors. This will violate company policy and will immediately terminate any right Employee might otherwise have to any commission whatsoever with respect to any such loan.**

2.3 Employee shall not charge any expenses to Employer without Employer's prior written approval.

2.4 In the event Employee uses his/her automobile in connection with such employment, liability insurance must be obtained on such automobile by Employee. The liability insurance must be in sufficient amounts and have sufficient coverage's to satisfy and comply with the laws of the state in which the Employee lives. Employee shall furnish Employer with written evidence of such coverage immediately following acceptance of this Agreement by Employee.

2.5 Except as expressly provided herein, it is specifically understood and agreed that Employee will have no authority to act on behalf of or to bind Employer with respect to any contract or agreement, unless Employee has first been authorized in writing by a Corporate officer of Employer.

2.6 Employer shall approve all advertising and advertising copy prior to such advertising being placed or distributed.

2.7 Employer shall promulgate or approve in writing in advance, all forms and documents used by Employee.

2.8 Employee shall have all appropriate individual licenses (i.e., other than those licenses required to be held by Employer) required of Employee by any federal, state, and or local law, rule or regulation applicable in the jurisdiction in which Employee is doing business, and shall be responsible for paying all license fees and license audit fees, if any are required, in a timely manner and in accordance with applicable law, rule and/or regulation.

2.9 All monies received by Employee for the benefit of Employer or to be held for others, shall be made payable to Employer and received in trust by Employee for Employer and delivered immediately to Employer upon coming into the possession of, or under the control of Employee. Further Employee is expressly prohibited from opening ANY *bank or other financial account (s)* in Employer's name or any reasonably similar variation thereof. Employee is responsible for collecting from loan applicants all fees for the payment of appraisals, credit reports and other charges by third parties in connection with the origination and servicing of mortgage loans originated by the Employee, and shall be liable for same to Employer. **All appraisals must be paid by the individual loan officer or borrower.**

2.10 Employee shall comply, and insure that he/she stays in compliance, with all laws, regulations, investor guidelines and other requirements relating to mortgage origination, servicing and operation and representation as an Employee of Blue Sapphire Investments, including without limitation all applicable requirements of the Department of Housing and Urban Development ("HUD"), the Veterans Administration ("VA"), Fannie Mae and Freddie Mac (collectively, "Laws"). For example, Employee shall not charge any borrower, nor allow to be charged, any fees in excess of that permitted by the Real Estate Settlement Procedures Act ("RESPA") or any other law, rule or regulation. Employee shall comply, with Employer's rules, regulations and policies as set forth in Employer's policy manuals and otherwise.

7.11 2.11 If Employee and/or any member of Employee's immediate family, enters into an agreement as a principal involving the purchase or sale of real property, or, has or will have any interest in such real property including but not limited to 1. Acting as a property manager 2. Holding any interest as a tenant or sub-tenant, 3. Holding any private or personal mortgage or personal loan with respect to said property, or 4. Is involved in the obtaining or making of a loan on such real property, and, Employer is asked to make a loan in connection therewith, then

Employee shall make immediate written disclosure of the facts concerning any such purchase, sale, loan or interest, and Employee's involvement and/or connection therewith to the Employer and prior to any loan activity in connection with such transaction. Any such loan shall Exclusively be processed at Employer's corporate headquarters located at 29400 Kohoutek Way, Ste. 150 Union City, CA 94587, and under NO circumstance will any such loan be processed at any branch office. This Section 2.11 also applies in the event Employee's spouse, parent, child, brother or sister or close relation is a principal or agent involved in any such transaction. **All employee loans must be processed by Employer's principal corporate office and must be full doc only.**

2.12 Employee may not enter into forward loan commitments or other agreements with any investor.

2.13 Loan commitments and rate lock-in agreements may only be issued in accordance with Employer's written procedures

2.14 ANY loan submitted by or thru Employee that is subsequently determined to contain fraudulent and material misstatements of fact, or that omits material disclosures regarding the loan, shall constitute a breach of this Agreement attributable to Employee and shall result in an immediate termination of any right to any commission whatsoever on the part of Employee, with respect to the offending loan as well as constituting grounds for termination FOR CAUSE of Employee.

2.15 Employer is a direct lender, and as such expressly prohibits the brokering of any loan by any employee to any outside broker or investor. Any such attempt by Employee or any of person employed by Employee within the scope of this Agreement, shall constitute a material breach of this Agreement and grounds for termination for CAUSE. Further, any such action will result in an immediate termination of any right or entitlement to any commission with respect to any such loan.

ARTICLE III **INDEMNIFICATION**

3.1 Employee shall indemnify and hold Employer, its corporate parent, subsidiaries, and affiliated corporations, if any, and their respective officers, directors, employees, Employees and insurers (herein, each an "Indemnified Person") harmless from and against any and all claims, losses, damages, fines, penalties, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorneys fees, arising from or relating to (1) any misconduct of or misrepresentation by Employee, or (2) any violation of this Agreement by Employee, (3) and/or any act of alleged negligence, malfeasance, or willful misconduct by Employee claimed to have occurred in the course and scope of Employee's employment with Employer.

3.2 If any action, claim or proceeding shall be brought or asserted against any Indemnified Person in respect of which indemnity may be sought under this Agreement from Employee, the Indemnified Person shall give prompt written notice of such action,

claim or proceeding to Employee, who at the Indemnified Person's request, shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Person and the payment of all of such counsel's fees and expenses (it being understood and agreed that such counsel's fees and expenses are an identifiable loss under this Agreement). Any Indemnified Person may undertake the defense of the applicable action, claim or proceeding (herein, a "Proceeding"), unless the defense is assumed by the Employee within five (5) Business Days after the date Employee receives such notice and request. Employee will keep the Indemnified Person advised as to all material developments in connection with any Proceeding, and shall so instruct the counsel, including, but not limited to, promptly furnishing to the Indemnified Person copies of all documents filed or served in connection therewith. The Indemnified Person shall have the right to employ one separate counsel per jurisdiction in any Proceeding and to participate in the defense thereof, and the fees and expenses of such counsel shall be at the expense of Employee. In the event that the Indemnified Person assumes the defense thereof, the Indemnified Person shall have the right to compromise or settle such Proceeding for the account of Employee. Anything in this Section notwithstanding, Employee shall not, without the Indemnified Person's prior written consent, settle or compromise any action or claim or consent to the entry of any judgment with respect thereto.

ARTICLE IV **COMPENSATION**

SEE ATTACHED EXHIBIT C

ARTICLE V **DOCUMENTS AND PERSONNEL**

5.1 Employee, during the term of employment under this Agreement, will or may have access to various Employer forms, procedures, files, records, documents, proprietary information, correspondence, business card files, memoranda, pricing and marketing information, trade secrets, vendor and affiliate information, financial information concerning Employer and its affiliates, notes, computer records, reports, customer (including former customer) and prospective customer lists, printouts, manuals, computer equipment and software, pagers, telephone cards, keys, security cards and other entry devices for access to Employer's facilities or those of Employer's affiliates, and other documents (and all copies thereof) and similar items relating to the business of Employer which are owned by Employer and which are regularly used in the operation of the business of Employer (collectively, "Confidential Materials") . Employee shall not disclose, nor reproduce, any Confidential Materials nor use them in any way during the term of this Agreement, except as required in the normal course of Employee's employment, and at no time thereafter. All Confidential Materials shall remain the exclusive property of Employer and shall not be copied, in whole or in part, or removed from the premises of Employer under any circumstances whatsoever without the prior written consent of Employer, except as required in the normal course of Employee's employment hereunder. At all times hereafter, Employee will not, except with Employer's express prior written consent, directly or indirectly, provide, communicate,

disclose or divulge to any individual, sole proprietorship, joint venture, partnership, corporation, association or any other governmental or non-governmental entity or authority (collectively "Person"), or use for his/her own benefit or the benefit of any Person, any Confidential Materials, no matter when or how acquired, except for information which (i) is in the public domain or (ii) the disclosure of which is required by law. Employee acknowledges the proprietary nature of the Confidential Materials and understands that the Confidential Materials must be maintained in strict confidence in order for Employer to protect its business and its competitive position in the marketplace.

5.2 Employee shall communicate to Employer and preserve as proprietary information of Employer each discovery, idea, design, customer list, invention and improvement relating in any manner to Employer's business, whether or not patentable and whether or not reduced to practice, which is conceived, developed or made by Employee, whether alone or jointly with others, at any time during the term hereof (such discoveries, ideas, designs, client lists, inventions and improvements are collectively referred to as "Employee's Discoveries"). All of Employee's Discoveries shall be Employer's exclusive property, and all of Employee's right title and interest therein are hereby irrevocably assigned to Employer. Employee shall not, except with Employer's prior written consent, or except in the proper course of his employment with Employer, use any of Employee's Discoveries for his own benefit or the benefit of any Person (as defined in Section 5.1), or disclose any of Employee's Discoveries to any outside Person through publication or in any other manner.

5.3 Upon termination of employment with Employer for any reason, or when the Employer may so request, Employee will immediately deliver to the Employer any or all property of Employer in Employee's possession, including, but not limited to, Confidential Materials and Employee Discoveries, which Employee may then possess or have under his/her control. **Upon termination, all files must be submitted to the corporate office within 48 hours and all pending loan applications MUST be funded by the corporate office regardless of any preapprovals Employee may have pending from other investors. Failure to comply with this section will result in the immediate termination of any right to any commission whatsoever with respect to any pending loan.**

5.4 During the term of Employee's employment and upon termination of employment by Employee or Employer, and for a period of one (1) year thereafter, Employee expressly covenants and agrees that Employee shall not, either directly or indirectly (1) interfere with the business of Employer; (2) solicit, attempt to hire or hire any personnel, Employees, independent contractors or employees of Employer or any of its subsidiaries or affiliates (other than Employees, employees or others assigned to and resident in the Branch) without written approval of Employer; (3) solicit the transfer of loan application files to another organization or person of any customer or prospective customer of Employer; and (4) contact or solicit any of Employer's customers or prospective customers. Employee acknowledges that each, every, any and all prospective borrowers with which Employee comes into contact during the term hereof, whether by referral, direct origination, marketing or other means, are exclusive prospects of Employer and, accordingly, Employee agrees and warrants that during the term of this Agreement and for one (1) year thereafter Employee shall not in any manner refer any such prospective borrower(s) to any mortgage services provider other than Employer nor to vendors

offering the types of services or products offered by Employer's affiliates, other than Employer's affiliates.

5.5 Employee agrees that he/she will refrain from using the name "Blue Sapphire Investments", any similar variation of same, or the term "RCB" in any business ventures or advertising without express written consent in advance from a corporate officer of Employer.

ARTICLE VI ARBITRATION

6.1 Employer and Employee agree to submit to final and binding arbitration any and all disputes, claims (whether in tort, contract, statutory, or otherwise), and disagreements concerning (1) the interpretation or application of this Agreement, (2) Employee's employment by Employer, or (3) the termination of this Agreement and the termination of Employee's employment by Employer, including the arbitrability of any such controversy or claim. Any such dispute, claim, or disagreement subject to arbitration pursuant to the terms of this Section 6.1 shall be resolved by arbitration in accordance with the Employment Dispute Resolution Rules ("Arbitration Rules") of the American Arbitration Association ("AAA") in effect at the time of arbitration. The AAA will select a neutral arbitrator pursuant to rules of the AAA Arbitration Rules, as those rules may be amended from time to time. Employer and Employee agree that this arbitration agreement is made pursuant to a transaction in interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. Unless inconsistent with applicable law, each party shall bear the expense of their respective attorneys, experts, witness and filing fees, regardless of which party prevails in the arbitration. Any arbitration hearing will take place in Union City or Alameda County, California. Employee and Employer agree that the decision of the AAA regarding the arbitrator(s) selected hereunder will be final and binding on both parties. The parties agree that a judgment in a state or federal court with jurisdiction over the parties hereto may be entered upon the award made pursuant to the arbitration.

6.2 Notwithstanding the foregoing, Employer and Employee recognize and acknowledge that in the event of any breach of any provision of Article V of this Agreement, irreparable harm will be suffered by Employer and that any remedy available at law will be inadequate and do, therefore, agree that in such event Employer shall be entitled to seek immediate 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 the necessity of posting any bond, cash or security as a condition for the obtaining of such injunctive relief, as to Employee or any other person or entity involved in or connected with such breach, which rights shall be in addition to such rights as Employer may have for damages and in addition to such other remedies as the law or equity may provide.

6.3 If Employer must resort to arbitration and/or litigation to enforce any of the provisions in Article V of the Agreement which has a fixed term, then such term shall be extended for a period of time equal to the period during which a breach of such provision was occurring, beginning on the date of a final arbitration decision or court order

(without further right of appeal) holding that such a breach occurred or, if later, the last day of the original fixed term of such provision.

ARTICLE VII **GENERAL PROVISIONS**

7.1 This Agreement supersedes any and all other agreements, either oral or in writing between the parties hereto, with respect to the employment of Employee by Employer and contains all of the covenants and agreements between the parties with respect to such employment in any manner whatsoever. This Agreement may not be modified except in writing by Employer.

7.2 Employee agrees to execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all such further documents that Employer reasonably deems necessary or appropriate to carry out the terms and provisions of this Agreement.

7.3 No waiver by Employer 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 condition, representation or warranty set forth in the Agreement.

7.4 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.

7.5 Employer may assign its rights and duties hereunder provided that the assignee is the successor, by operation of law or otherwise, to the business of Employer. Employee may not, without the prior written consent of Employer, assign his/her rights and duties hereunder.

7.6 For the convenience of the parties hereto, any number of counterparts may be executed, and each such counterpart shall be deemed an original instrument, however this Agreement shall not take force or effect until both parties have duly executed their respective counterparts.

7.7 This Agreement shall be governed by and enforced in accordance with the laws of the State of California.

7.8 This Agreement and all its provisions shall survive termination of this Agreement and/or termination of Employee's employment with Employer.

7.9 Except to the extent otherwise expressly permitted hereunder, all notices, requests, demands, directions and other communications (collectively, "Notices") under this Agreement shall be sent by first-class mail, or by nationally recognized overnight courier, or by telex or telecopier, or by machine readable electronic transmission, or by personal delivery. All Notices shall be sent to the applicable party at the address provided therefore on the signature page hereto, in all cases with postage or other charges prepaid.

Any such properly given Notice shall be effective on the earliest to occur of receipt, machine generated written confirmation of receipt of telexed, telecopied , or facsimile communication, one (1) business day after delivery to a nationally recognized overnight courier, or three (3) business days after deposit in the U.S. Mail.

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BRANCH MANAGER QUESTIONNAIRE

- I Today's Date: _____ Birth Date: _____
2. Branch Manager's Full Legal Name: _____
3. What is your social security number: _____?
4. Is anyone else going to be responsible for branch management? Yes ___ No ___
If the answer is yes, then that individual must also complete a Branch Manager Questionnaire.
5. What is your home address? _____
6. Where can you be reached?
Home # _____
Office # _____
Cell # _____
Fax # _____
7. How long have you been in the mortgage business? _____
8. What is the name of the company you are currently affiliated with? _____
9. In what capacity (s) have you actively worked in within the mortgage business?
Origination ___ Underwriting ___ Processing ___
Management ___ Other ___ Explain: _____
10. What kind of product do you plan to generate?

| <u>Product</u> | <u>% of Total Production</u> |
|--------------------------|------------------------------|
| ___ FNMA/FHMC _____ | |
| ___ FHA/VA _____ | |
| ___ SUB PRIME _____ | |
| ___ Other explain: _____ | |
| Total _____ | |
11. What kind of processing systems are you familiar with? _____

12. What is your production history and your future expectations?

| Product | Last Year | This Year |
|-------------------|-----------|-----------|
| __ FNMA/FHLMC | \$_____ | \$_____ |
| __ FHA | \$_____ | \$_____ |
| __ Non-Conforming | \$_____ | \$_____ |
| __ Other _____ | \$_____ | \$_____ |

13. What specific markets do you plan to target? _____

14. How do you generate your production volume? (i.e., referrals, real estate brokers, etc.)

15. Have you ever been accused, arrested and/or convicted of a crime, lost any professional license, had any license suspended or revoked, had to repurchase a loan, or been suspended/ canceled by an investor? If yes, please give details and explain:

16. I hereby authorize Blue Sapphire Investments, its officers, employees, agents and/or such persons or agencies it may choose to retain for the performance of these services; to verify thru investigation, the information contained in this questionnaire including credit and criminal investigation as deemed necessary. _____ (initials)

17. Attach 3 investor references.

18. Please submit with your completed questionnaire:

_____ Copy of current state mandated license, if any.

_____ Proof of production (last years W-2, 1099, current pipeline report, etc.)

_____ Resume

_____ 3 Investor References