

Prince George's Financial Services Corporation (FSC First)

REFERRAL FEE AGREEMENT

I. Introduction

The Prince George's Financial Services Corporation ("FSC First"), is a non-traditional lender that provides access to capital for small and minority-owned business enterprises in Prince George's County, Maryland (the "County") and the State of Maryland ("State").

The FSC is certified by the U. S. Small Business Administration (SBA) to provide long-term, fixed asset loans to small and minority-owned business enterprises for the purpose of construction, conversion or expansion; including acquisition of commercially zone land, existing buildings, leasehold improvements, machinery & equipment and working capital.

FSC First's objectives include stimulating business investment in the County, creating private sector jobs and assisting small and minority-owned business enterprises. Programs that are available to assist the FSC First in accomplishing these objectives include the SBA 7(a) and 504 loan Programs, the account receivable programs; Business Manager and Contractor Cashflow Fund administered by the FSC First, with staff and financial support from the County. The FSC First is desirous of more fully utilizing the Programs to further accomplish their objectives.

FSC First desires to increase the number of creditworthy small and minority businesses in our loans portfolio. Therefore, FSC First will pay a referral fees to individual or corporation that brings a creditworthy small business that closes a loan with FSC First.

II. Scope of Services

A. **A referral partner** – An individual or corporation that has established a relationship and has a signed referral agreement with FSC First. The responsibilities of a referral partner are as follows:

- 1) Familiarizes themselves with the FSC First Programs,
- 2) Understand each document required from the appropriate program checklist
- 3) Assist the small or minority business with collecting and submitting the information on the checklist

- 4) Assist the FSC First with collecting any outstanding or missing information.

B. FSC First responsibilities – FSC First will use all available resources to:

- 1) Maintain and update each program loan checklist;
- 2) Communicate with the referral partner on status of submission of the loan documents per checklist;
- 3) FSC First can not and will not discuss proprietary or confidential information of the business with the referral partner;
- 4) Prepare clear and concise correspondence, including but not limited to, "decline letters" for borrowers whose loans have not been approved as appropriate;
- 5) Be responsible for all recordkeeping, file storage, compliance issues and other loan administration services.

C. Non-Exclusive — it is acknowledged that this is a non-exclusive relationship and FSC will compensate referral partners for all projects originated by them and funded with FSC First's core programs during the term of this Agreement in accordance with the terms of this Agreement. FSC First's core programs are SBA 504, SBA 7(a), Contractors Cash Flow, and Asset Based Lending programs.

D Term — the term of this Agreement is for one year from date of signing. It will automatically renew for another six months unless terminated. Either party can terminate it at any time by sending thirty (30) days written notice to the other party.

III. Compensation

- a. FSC First will pay a transaction fee for loans generated by a referral partner. A referral partner is an individual or corporation that has a signed referral agreement with FSC First.
- b. A loan generated by a referral partner is any loan that has been approved. The transaction fee is billable upon final approval and completion of a successful closing between FSC First and all SBA and non-SBA eligible loans.
- c. All transition fees will be paid within 30 days of loan closing
- d. The transaction fee will be paid based upon the established fee schedule herein.

MULTIPLE TIER PAY FEE

Fees will be based upon the following:

SBA 7 (a) & Non-SBA Loans

| Loan Amount | Referral Fee |
|--------------------|---------------------|
| \$25k—50K | \$100 |
| \$50,001-100k | \$175 |
| \$100,001-250k | \$250 |

SBA 504 - Referral Fee

\$1,000 Flat Fee

IV. **Indemnification** - The Consultant and any person acting on behalf of the Consultant (“Indemnified Person”) shall be held harmless, defended, and indemnified by FSC First for any cost, claim, liability or loss (including attorney’s fees and expenses) suffered by an Indemnified Person acting on behalf of FSC First pursuant to this Agreement except for cases determined by a court to be fraud, gross negligence or willful misconduct by such Indemnified Person. The Consultant shall hold harmless, defend and indemnify FSC First and any person acting on behalf of FSC First against any loss based on the Consultants intentional misrepresentation of information or the Consultants negligent acts, errors and omissions with regard to activities by the Consultant under this Agreement.

V. **Relationship** — The relationship between FSC First and the Consultant is that of contractor and independent agent. Neither party has the power nor authority to enter into any agreement or commitment nor incur any obligation or liability on behalf of the other party without the express written authorization.

VIII. **Information** — The Parties agree to provide to each other all reasonable information relative to the roles and responsibilities of this Agreement upon receipt of a verbal or written request for such information.

IX. **Proprietary Information** — It is acknowledged that the Consultant will receive proprietary information about various businesses and developers in the County, and that the Consultant will utilize such proprietary information only on behalf of its responsibilities under the Agreement as modified and will not separately engage nor contract with such businesses or developers for other purposes. (This does not include any relationships the Consultant may have with bankers or others concerning matters outside of the County.)

Agreed this _____ day of _____, 2008.

FSC FIRST:

Consultant:

Shelly M. Gross-Wade
President & CEO
Prince George's FSC FIRST

Name