



## Mortgage Referral Agreement

Between:

**C. M. B. CANADA MORTGAGE BROKERS INC.**, a mortgage broker licensed under the laws of Ontario, Canada;  
(herein referred to as “CMB”)

OF THE FIRST PART;  
-and-

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An individual or a company incorporated under the laws of the Province of \_\_\_\_\_, Canada;  
(herein collectively referred to as “Consultant”)

OF THE SECOND PART;

WHEREAS the Broker or CMB is offering a Mortgage Referral Program “MRP”, whereby it will compensate Consultants for referral of mortgages which are packaged by the Broker, subsequently approved by various lenders and which result in fully advanced mortgages.

AND WHEREAS the Consultant has agreed to be part of the MRP;

**1. The parties hereto agree, that for the purposes of the MRP, the Agreement is as follows:**

### ***1.1 Qualifying Mortgage Referral***

A properly introduced referral of a customer, (by the consultant using a CMB worksheet, CMB Introduction, CMB website or approved software), whose property to be mortgaged is not presently encumbered by the lending institution being applied to or which may ultimately provide the funding, by a registered consultant to CMB, shall be considered to be a qualifying CMB mortgage referral if the referral results in a fully advanced first or second mortgage through CMB on single family, owner occupied residential property from a lender approved by CMB, acting in its sole discretion. Alternate B and Sub-prime fundings qualify under certain conditions, to be determined at the sole discretion of CMB. The decision of CMB with respect to referral qualification shall be final and binding.

## ***1.2 Compensation***

CMB will pay a one time referral fee to the Consultant for each mortgage fully funded by lenders resulting from the mortgage referral and completion of a CMB worksheet filed by the Consultant in accordance with the MRP. The fee shall be in accordance with the Compensation Schedule “A” attached to this Agreement. All referral fees due to the Consultant will be forwarded to the Consultant within 30 days of receipt by CMB. Any commission or fees received from CMB are a taxable benefit and you are advised to seek independent tax advice in this regard.

## ***1.3 The following Schedules are incorporated by reference into this Agreement***

- Schedule A - Compensation Schedule
- Schedule B - Acknowledgement of Consultants: Mortgage Referral Agreement
- Schedule C - CMB Worksheet
- Schedule D – CMB Introduction

## ***1.4 Appointment of Marketing firms for MRP management***

CMB may appoint Marketing firms to manage the MRP at its sole discretion with the cost of this appointment being paid by CMB. All terms and conditions of this agreement shall apply to the marketing firms, CMB and consultants when a marketing firm is hired.

## **2. Appointment of Consultants**

The Consultant hereby agrees to have all existing and future Sub-Consultants who desire to participate in the MRP to execute and deliver to the Broker a written acknowledgement of the terms and conditions set out herein (“Acknowledgement of Consultants: Mortgage Referral Program”) attached hereto as Schedule “B” as a fundamental condition of the Sub- consultants’ participation in the MRP.

## **3. Duties and Responsibilities of Consultants**

3.1 For the purposes of the MRP, the Consultants agree to use the CMB Worksheet or CMB Introduction referred to in Schedule C and D attached or such other forms provided by the Broker. Consultants agree to complete the CMB Worksheet or CMB Introduction forms on behalf of the Mortgage Applicant and to submit such worksheet to the Broker via the CMB website, e-mail or by fax. The Consultants shall ensure that the CMB Worksheet or CMB Introduction forms are duly executed by all Mortgage Applicants.

3.2 Once the CMB Worksheet or CMB Introduction is received, the broker or the lender may contact the Mortgage Applicant directly to request any additional information which may be required to complete the CMB Worksheet or the CMB Introduction.

3.3 If the mortgage is approved, the Broker will send directly to each Mortgage Applicant, to the address in the Mortgage Applicant's Application, a commitment letter confirming the amount and conditions of the Mortgage and any documentation or certificate that the lender wishes to provide relating to the Mortgage. The Consultant shall receive a copy of the commitment letter from the Broker for their reference only. If the Mortgage is not approved, the Broker will contact the Mortgage Applicant directly to advise him or her that the Mortgage has been declined.

3.4 The Consultant represents, warrants and covenants that entering into and performance of this Agreement by the Consultant shall not contravene, breach or infringe any Laws, including but not limited to, Mortgage Broker legislation, any contract, fiduciary obligations, or rights of other persons (including without limitation any confidentiality, moral, or intellectual property rights of any nature whatsoever).

3.5 The Consultant represents, warrants and covenants that in entering into and performing this Agreement, the Consultant will not:

- a) carry on the business of lending money on the security of real estate, whether the money is the Consultant's money or that of another person.;
- b) hold himself or herself or itself out as or by an advertisement, notice or sign indicate that he or she is a mortgage broker; or
- c) carry on the business of dealing in mortgages unless the consultant is a registered mortgage broker with the ministry in their province or state.

## **4. Term and Termination**

### ***4.1 Term***

The term of this Agreement shall be twelve (12) months from the Effective Date and shall automatically renew for additional twelve (12) month periods unless terminated earlier as provided below.

### ***4.2 Termination***

Consultant may cancel this Agreement at any time on sixty (60) days written notice. Consultant may terminate this agreement without (60) days written notice if CMB fails to cure a default of a material obligation in this Agreement within thirty (30) days of receiving written notice specifying such default. CMB may terminate this agreement at any time and for any reason without prior notice.

### ***4.3 Effect of Termination***

Upon termination of this Agreement for any reason, all rights and licenses granted under this Agreement shall terminate, and Consultant shall immediately cease use of the CMB Service and Licensed Marks. CMB shall pay any amounts owed to Consultant within 30 days of the effective date of termination. Any fees owing to the consultant will be paid after a fully advanced mortgage.

## **5. Limitation of Warranties**

Except as may be expressly provided in this Agreement, all services provided by CMB hereunder are provided “as is” without any warranty whatsoever. Consultant recognizes that the “as is” clause of this agreement is an important part of the basis of this agreement, without which CMB would not have agreed to enter into this agreement. CMB expressly disclaims all other warranties, terms or conditions, express, implied, statutory, regarding the services, including any warranties of merchantability, title, fitness for particular purpose and infringement. No representation or other affirmation of fact, regarding the services shall be deemed a warranty for any purpose or give rise to any liability of CMB whatsoever. Consultant acknowledges that it has relied on no warranties other than that express warranty in agreement.

## **6. General Provisions.**

If the performance of this Agreement is prevented, restricted or interfered with by but not limited to: fire or other casualty or accident, strikes or labor disputes, any law, order, proclamation, regulations, ordinance, demand or requirement of any government agency, non payment of brokerage fees to CMB, or any other similar act or condition beyond the reasonable control of the parties hereto, the party so affected will, upon giving prompt notice to the other party, be excused from such performance during such prevention, restriction or interference. Each party agrees to comply with all applicable Canadian or United States Federal, Provincial or State and local laws and regulations in the performance of its respective obligations under this Agreement. This Agreement shall be governed by the laws of the Province of Ontario as applied to agreements made, entered into and performed entirely in Ontario between Ontario residents. No waiver of any term or condition of this Agreement will be valid or binding on a party unless the same has been mutually assented to in writing by both parties. The terms and conditions contained in this Agreement constitute the entire agreement between the parties with respect to the subject matter thereof and supersede all previous agreements and understandings, whether oral or written. Except as expressly set forth herein, no party may assign or delegate this Agreement or any of its rights or duties under this Agreement without the prior written consent of the other party hereto, which consent will not be unreasonably withheld; provided, however, that either party, without the consent of the other party, may assign or delegate its rights or obligations under this agreement to any person or entity that acquires or succeeds to all or substantially all of its business or assets.

## COMPENSATION SCHEDULE “A”

The Broker will pay a one time referral fee to the Consultant for each mortgage fully funded by a lender resulting from a CMB Worksheet or a CMB Introduction filed by the Consultant in accordance with the MRP. The fee shall be in accordance with the following table:

### Schedule A 1.1

CMB referral dollar factors

Multiply the mortgage amount by the factor to arrive at the consultant commission.

“A” deals - Residential

	<b>Open 0bp</b>	<b>1yr, 2yr, &amp; 6month closed 15bp</b>	<b>3 yr 25bp</b>	<b>4yr 50bp</b>	<b>5yr &amp; closed VRM 60bp</b>	<b>7yr &amp; 10yr 70bp</b>
<b>CMB Worksheet</b>						
Introductory Tier 15%	nil	.000225	.000375	.000375	.0009	.00105
Tier 1 up to \$ 6,000,000 35% level	nil	.000525	.000875	.00175	.0021	.00245
Tier 2 up to \$15,000,000 50% level	nil	.00075	.00125	.0025	.003	.0035
Tier 3 up to \$40,000,000 60% level	nil	.0009	.0015	.003	.0036	.0042
Tier 4 up to \$45,000,000 70% level	nil	.00105	.00175	.0035	.0042	.0049
Tier 5 up to \$50,000,000 85% level	nil	.001275	.003125	.00425	.0051	.00595
Tier 6 up to \$55,000,000 90% level	nil	.00135	.00225	.0045	.0054	.0063
Tier 7 up to \$60,000,000 95% level	nil	.001425	.002375	.00475	.0057	.00665
Tier 8 up to \$70,000,000 100% level	nil	.0015	.0025	.005	.006	.007
<b>Introduction Only</b>						
Tier 1 up to \$ 6,000,000 25% level	nil	.000375	.000625	.00125	.0015	.00175
Tier 2 up to \$15,000,000 30% level	nil	.00045	.00075	.0015	.0018	.0021
Tier 3 up to \$40,000,000 40% level	nil	.0006	.001	.002	.0024	.0028
Tier 4 over \$40,000,000 45% level	nil	.000675	.001125	.00225	.0027	.00315

## Schedule A 1.2

CMB Referral dollars

Multiply the amount of the mortgage by the factor to arrive at the consultant commission

“B” or “C” deals - Residential

	<b>VRM, open, 1, 2, 3, 4 yr 0bp</b>	<b>5yr 1.00bp</b>	<b>7yr &amp; 10yr 1.5bp</b>
<b>CMB Worksheet</b>			
Introductory Tier 35% level	Nil	.0035	.00525
Tier 1 up to \$ 1,000,000 50% level	Nil	.005	.0075
Tier 2 up to \$ 6,000,000 75% level	Nil	.0075	.01125
Tier 3 up to \$ 10,000,000 90% level	Nil	.009	.0135
Tier 4 over \$ 10,000,000 100% level	Nil	.01	.015
<b>CMB Introduction</b>			
Tier 1 up to \$ 1,000,000 30% level	Nil	.003	.0045
Tier 2 up to \$ 6,000,000 35% level	Nil	.0035	.00525
Tier 3 up to \$ 10,000,000 40% level	Nil	.004	.006
Tier 4 over \$ 10,000,000 45% level	Nil	.0045	.00675

The basis points on the “B” deals and “C” deals vary according to the lender.

Therefore the commission will vary more often than for “A” deals.

Commission rates may change without notice.

All referral fees due to the Consultant will be forwarded to the Consultant within 30 days of receipt by the Broker, CMB.

Any commission or fees received from the Broker, CMB, is a taxable benefit and you are advised to seek independent tax advice in this regard.

**SCHEDULE B**  
**ACKNOWLEDGEMENT OF CONSULTANTS: MORTGAGE REFERRAL PROGRAM**

Between C. M. B. CANADA MORTGAGE BROKERS INC. and  
\_\_\_\_\_, CONSULTANTS,

duly executed on \_\_\_\_\_, 2003 at \_\_\_\_\_.

By their signatures below, these parties hereby acknowledge that they understand and agree to the terms and conditions of the above-mentioned Agreement for the purposes of participating in the Mortgage Referral Program described herein, and further acknowledge that a breach of any such term or condition will be grounds for any disqualification from the Mortgage Referral Program, and these signatures shall be sufficient evidence thereof.

**Worksheet**

Schedule A 1.1; Level \_\_\_\_\_% Schedule A 1.2; Level \_\_\_\_\_%

**Introduction**

Schedule A 1.1; Level \_\_\_\_\_% Schedule A 1.2; Level \_\_\_\_\_%

C. M. B. CANADA MORTGAGE BROKERS INC.      CONSULTANTS

Per:

\_\_\_\_\_  
Name:  
Title:  
Date:

\_\_\_\_\_  
Please print name

Per:

\_\_\_\_\_  
Name:  
Date:

\_\_\_\_\_  
Authorized Signatory of  
Consultant  
Date:

\_\_\_\_\_  
**Name of Signatory (please print)**

\_\_\_\_\_  
**Consultant Address**

\_\_\_\_\_  
**Consultant E-mail (mandatory)**

\_\_\_\_\_  
**Phone Number**