

**Exhibit A**

## EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into effective as of March 15, 2001 (the "Effective Date"), by and between LoanCity, Inc., a California corporation (hereinafter the "Corporation"), and AMBER JOHNSON (hereinafter "Employee").

### RECITAL

The Corporation desires to employ Employee as its Senior Vice-President - National Sales Manager and Employee desires to accept such employment, on the terms and subject to the conditions set forth herein

### AGREEMENT

NOW, THEREFORE, the parties hereto hereby agree as follows.

1. **Employment Duties.**

a. **General.** The Corporation hereby agrees to employ Employee, and Employee hereby agrees to accept employment with the Corporation, on the terms and conditions hereinafter set forth.

b. **Corporation's Duties.** The Corporation shall allow Employee to, and Employee shall, perform responsibilities normally incident to her position as this Corporation's Senior Vice-President - National Sales Manager, commensurate with her background, education, experience and professional standing. The Corporation shall provide Employee with a private office, secretarial support, office equipment, supplies, customary services and cooperation suitable for and as the Chief Executive Office of the Corporation deems necessary for the performance of her duties.

c. **Employee's Duties.** Unless otherwise mutually agreed to in writing by the parties, Employee shall serve as the Corporation's Senior Vice-President - National Sales Manager. Employee shall devote her full productive time, attention, energy, and skill to the business of the Corporation during the Employment Term (as defined below), and shall not become engaged to render similar services on behalf of any other entity or person while employed hereunder, without the Corporation's consent. Employee shall report directly to the

Corporation's Board of Directors.

2. **Term.** This Employment Agreement shall commence as of the Effective Date, and shall continue for an initial term ending on March 14, 2002, as may be automatically extended pursuant to this Section and unless sooner terminated under the provisions of Section 5 (below). On each anniversary date following the Effective Date, unless either party has given written notice to the other party no more than ninety (90) days and no less than thirty (30) days prior to such anniversary date of its election to terminate this Agreement effective as of the end of the balance of the Employment Term then in effect, this Agreement and the Employment Term shall automatically be extended for an additional one year period beyond the remaining term then in effect. As used herein, the term "Employment Term" refers to the entire period of employment of Employee hereunder, including any extensions provided hereunder.

3. **Compensation.** Employee shall be compensated as follows:

a. **Base Salary and Bonus Incentive Plans.** Employee shall receive as her base compensation hereunder a minimum fixed monthly salary at the rate of Eight Thousand Three Hundred Thirty Three (\$8,333.00) per month for each month during the Employment Term, payable in equal installments on a semi-monthly basis, in arrears. The Board of Directors may, at any time or from time to time during the Employment Term, increase Employee's salary in light of the Corporation's performance and Employee's contribution thereto, and any other factors which the Board may deem relevant. Employee shall also be eligible to participate in bonus incentive plans which the Board of Directors may adopt from time to time.

b. **Production Bonus.** Employee shall also receive a monthly cash bonus for each calendar month during the Employment Term. The monthly cash bonus shall equal five (5) basis points of the aggregate total amount of all loans closed by the Corporation during the immediately preceding calendar month during the Employment Term commencing with loans closed for the partial month beginning on March 15, 2001 and thereafter calculated from the first of each calendar month (the "Monthly Cash Bonus") until such time that all such aggregate loans equal \$450,000,000; thereafter, the Monthly Cash Bonus shall equal one (1) basis point on loans closed during any applicable calendar month. The Monthly Cash Bonus shall be payable within 15 days after the end of the applicable calendar month for which the bonus has been generated.

c. **Loan.** Upon the execution of this Agreement by the Corporation and Employee, the Corporation shall loan Employee One Hundred Twenty Thousand Dollars (\$120,000), which shall be due and payable on March 14, 2003 (the "Loan"), provided, however,

that so long as Employee has not voluntarily terminated her employment (except for "Constructive Termination" (as defined below) or been terminated by the Corporation for "cause" (as defined below) in either case prior to March 15, 2003, the Loan shall be forgiven. The Loan shall bear interest at the minimum rate to avoid the imputation of interest under applicable IRS rules and regulations. The Loan shall be memorialized by a promissory note in form and substance attached hereto as Exhibit A and incorporated herein by reference.

d. **Vacation.** Employee shall accrue paid vacation at the rate of twenty (20) days per year, pro rated on a monthly basis from the Effective Date. Employee shall be compensated at her usual rate of compensation during any such vacation. Employee shall also be entitled to ten (10) paid holidays during each twelve (12) months of employment, or, if more, such number of paid holidays as the Corporation may provide to all employees. Employee shall receive sick leave or disability leave in accordance with the terms of the Corporation's standard sick leave or disability leave policy.

c. **Benefits.** During the Employment Term, Employee and her dependents shall be entitled to participate in any group plans or programs maintained by the Corporation for any employees relating to group health, disability, life insurance and other related benefits as in effect from time to time, but in no event shall such benefits for Employee and her dependents be less than the benefits which the Corporation provides to Employee and her dependents as of the Effective Date. The Corporation shall provide Employee with Director and Officer Liability Insurance, if reasonably available to the Corporation, and all of its officers and directors. During the Employment Term, Employee shall also receive a monthly automobile allowance of \$500.

4. **Expenses.** The Corporation shall reimburse Employee for her normal and reasonable expenses incurred for travel, entertainment, continuing education and similar items in promoting and carrying out the business of the Corporation. The Corporation shall also reimburse Employee for all professional membership dues incurred, if any, and all technical books purchased by Employee. As a condition of reimbursement, Employee agrees to provide the Corporation with copies of all available invoices and receipts, and otherwise account to the Corporation in sufficient detail to allow the Corporation to claim an income tax deduction for such paid item, if such item is deductible. Reimbursements shall be made on a monthly, or more frequent, basis.

5. **Termination.**

a. **Termination for Cause.** In addition to the Corporation's termination rights set forth in Section 2, the Corporation may terminate the Employee's employment pursuant to the terms of this Agreement at any time for "cause" (defined below) by giving written notice of termination. Such termination will become effective upon the giving of such notice, except that termination based upon clauses (iii) and (iv) below shall not become effective unless the Employee shall fail to correct such breach within thirty (30) days of receipt of written notice. "Cause" shall mean: (i) the Employee is convicted of a felony which is directly related to the Employee's employment or the business of the Corporation; (ii) the Employee, in carrying out her duties hereunder, has been found in a civil action to have committed gross negligence, willful gross misconduct, misappropriated Corporation funds or otherwise defrauded the Corporation, in any case, resulting in material harm to the Corporation; (iii) Employee materially breaches any provision of any confidentiality, proprietary rights, non-competition or similar agreement between Employee and the Corporation or (iv) Employee is in material breach of the provisions of Section 1.c of this Agreement.

b. **Termination Upon Death or Disability.** This Agreement shall automatically terminate upon Employee's death. In addition, if any disability or incapacity of Employee to perform her duties as the result of any injury, sickness, or physical, mental or emotional condition continues for a period of 180 business days (excluding any accrued vacation) out of any calendar year period, the Corporation may terminate Employee's employment upon written notice.

c. **Constructive Termination.** In the event of "Constructive Termination" (as defined below), Employee shall be entitled to terminate her employment hereunder and this Corporation shall be deemed in breach of this Agreement and in addition to any other remedies at law or in equity, Employee shall be entitled to receive all compensation and benefits provided under this Agreement as if she had remained an employee of the Corporation during the balance of the current Employment Term (assuming the Corporation elected to terminate this Agreement as provided in Section 2). "Constructive Termination" means Employee's voluntary resignation from employment with the Corporation following the occurrence of any of the following events: (i) a change in Employee's title, or (ii) a material change in Employee's duties, position or responsibilities, or the removal of Employee from such position or responsibilities, including but not limited to Employee no longer reporting to Rick Soukoulis in his capacity as the CEO or (iii) a material change in Employee's location of employment as of the Effective Date, or (iv) any failure by the Corporation to comply with any of its obligations under this Agreement and which is not remedied by the Corporation within 30 days after receipt of written notice thereof given by

the Employee or (v) the failure of the Corporation to close at least \$150 million in loans per month on average during any three calendar month period unless the Corporation has paid Employee within fifteen (15) days after such three month period the equivalent of \$45,000 (one basis point) in the aggregate for such three month period (including all previous Monthly Cash Bonus payments for such three month period) as if \$150 million in loans on average had been closed during such three month period.

6. Miscellaneous.

a. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matters herein, and supersedes and replaces any prior agreements and understandings, whether oral or written between them with respect to such matters. The provisions of this Agreement may be waived, altered, amended or repealed in whole or in part only upon the written consent of both parties to this Agreement.

b. No Implied Waivers. The failure of either party at any time to require performance by the other party of any provision hereof shall not affect in any way the right to require such performance at any time thereafter, nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of any subsequent breach of the same provision or any other provision.

c. Personal Services. It is understood that the services to be performed by Employee hereunder are personal in nature and the obligations to perform such services and the conditions and covenants of this Agreement cannot be assigned by Employee. Subject to the foregoing, and except as otherwise provided herein, this Agreement shall inure to the benefit of and bind the successors and assigns of the Corporation.

d. Severability. If for any reason any provision of this Agreement shall be determined to be invalid or inoperative, the validity and effect of the other provisions hereof shall not be affected thereby, provided that no such severability shall be effective if it causes a material detriment to any party.

e. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, applicable to contracts between California residents entered into and to be performed entirely within the State of California. Venue for any and all claims or actions arising out of this Agreement shall be the County of Santa Clara, State

of California.

f. **Notices.** All notices, requests, demands, instructions or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon delivery, if delivered personally, or if given by prepaid telegram, or mailed first-class, postage prepaid, registered or certified mail, return receipt requested, shall be deemed to have been given seventy-two (72) hours after such delivery, if addressed to the other party at the addresses as set forth on the signature page below. Either party hereto may change the address to which such communications are to be directed by giving written notice to the other party hereto of such change in the manner above provided.

g. **Merger, Transfer of Assets, or Dissolution of the Corporation.** This Agreement shall not be terminated by any dissolution of the Corporation resulting from either merger or consolidation in which the Corporation is not the consolidated or surviving corporation or a transfer of all or substantially all of the assets of the Corporation. In such event, the rights, benefits and obligations herein shall automatically be assigned to the surviving or resulting corporation or to the transferee of the assets.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

EMPLOYEE

Amber Johnson

\_\_\_\_\_

(Print Address)

LOAN CITY, INC.

By: [Signature]  
(Signature)

RICK SODKOVIS  
(Print Name and Title)

\_\_\_\_\_

(Print Address)