

Mortgage+Care

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«f80»

«f81»

«f82», «f83»

LENDER SERVICING AGREEMENT

Loan No. «f2»

Trustor: «f5» «f6» «f7» «f8»
«f10» «f11» «f12»

Definitions:

“COMPANY” is defined as: «f80»
located at: «f81»
«f82», «f83»
«f84» «f8»

“LENDER” is defined as the undersigned and owner of the note referenced by the loan number above.

“NOTE” is the Promissory Note.

“DEED OF TRUST” is the security instrument for the “NOTE”.

This loan servicing agreement is made between “COMPANY”, a licensed California Real Estate Broker, and the undersigned “LENDER”. Lender hereby appoints “COMPANY” as attorney in fact in lenders place and stead. “LENDER” hereby authorizes and instructs “COMPANY” and “COMPANY” agrees to service the “NOTE” and “DEED OF TRUST”, and in that connection, to do the following:

- A. To receive any and all payments due “LENDER” on the “NOTE”, which includes but is not limited to all monthly payments, all late payments, all payoffs in full or in part. In the event of “LENDER’S” loan being paid off in full through a title company escrow, “LENDER” agrees to abide by the escrow instructions provided and signed by “COMPANY” on behalf of “LENDER”, including but not limited to calculations of amounts due and designation of the payee on title company’s check. “LENDER” hereby instructs any title company to accept the instructions of “COMPANY” or its agent;
- B. To endorse to “COMPANY’S” Trust Account any checks or money orders payable to “LENDER” and to immediately deposit same in “COMPANY’S” Trust Account which is to be maintained in accordance with such laws and rules applicable thereto and as to which “COMPANY” will not commingle its assets;
- C. To transmit “LENDER’S” portion of such payments of principal and interest to “LENDER” within 10 business days after receipt at the address shown herein and to not use such payment for any other transaction other than the transaction for which the funds are received; except as provided in 7a-c.
- D. If the source of payment is not the maker of the “NOTE”, to so inform the “LENDER”;
- E. To cause “COMPANY’S” Trust Account utilized for this transaction to be inspected as required by such laws, rules and regulations as are applicable thereto;
- F. To take any other action which “COMPANY” deems necessary or convenient to the collection and servicing of the “NOTE” including but not limited to instituting foreclosure proceedings in the event of default or making such payments for the “LENDER’S” account or the taking such other action as “COMPANY” deems necessary or desirable to protect the security of the “DEED OF TRUST” or the priority thereof. “COMPANY” is authorized and directed to commence foreclosure proceedings (sale under “DEED OF TRUST”), complete or continue foreclosure sale auctions, or to establish a reinstatement account for the

borrower. "LENDER" also agrees and authorizes "COMPANY" to employ any outside services such as, but not limited to, appraisers, attorneys and foreclosure companies (including an in-house foreclosure service) to further evaluate and protect "LENDER'S" interest in said "NOTE" and "DEED OF TRUST", all subject to reimbursement upon demand or prior collection of funds to pay for said outside services.

- G. To execute and deliver on "LENDER'S" behalf and in "LENDER'S" name any documents necessary or convenient for the exercise of any rights or duties which "LENDER" may have under the "DEED OF TRUST", including but not limited to Substitution of Trustee, Payoff demands, Beneficiary Statements, Declarations and Notices of Defaults, bidding authorizations and other instructions to the Trustee of the "DEED OF TRUST"; except that "LENDER" reserves the right to personally sign all requests for reconveyances. This right may be waived by "LENDER" in writing and given to "COMPANY".
- H. To receive Notices of Default of prior encumbrances and to promptly notify "LENDER" of any default upon "NOTE" and any prior encumbrances;
- I. To grant such extensions as "COMPANY" deems reasonably appropriate;
- J. Execution of any and all documents in connection with claims, demands and releases pertaining to insurance benefits and proceeds therefrom due borrower and/or "LENDER" and settlement and compromise in connection therewith.
- K. To hold the original "NOTE" and "DEED OF TRUST" for "LENDER";
- L. "LENDER" may terminate "COMPANY'S" authority hereunder at any time upon 10 days written notice and upon repayment of any outstanding payments made by "COMPANY" on "LENDER'S" behalf and accrued expenses incurred by the "COMPANY" in connection with servicing the "NOTE".
- M. In the event of any claims and/or actions on behalf of or against "LENDER", such as but not limited to, claims on the title insurance carrier, or any other insurance benefits, "COMPANY" is authorized to represent "LENDER" and to take all steps reasonably necessary in negotiating, compromising, settling, suing or defending in "LENDER'S" name. Each "LENDER" agrees to execute any documents reasonably required to accompany subsequent authority to so act at any time by written notice.
- N. "LENDER" further understands and agrees that the security for any "NOTE" and "DEED OF TRUST" is directly related to the equity in the security real estate as shown in the Lender Disclosure Statement and THAT NO WARRANTIES ARE IMPLIED OR EXPRESSED. "LENDER" understands that the value or salability of real estate can change at any time and therefore, that equity in the security real estate can increase or decrease. "LENDER" hereby releases "COMPANY" from any liability whatsoever in connection with the determination of the value of the security real estate.

The following provisions (1) - (5) apply only to loans in which "LENDER" holds an undivided fractional interest:

- 1. "LENDER" acknowledges that it holds or will hold an undivided interest in the "NOTE" and "DEED OF TRUST" as a tenant in common with another or other lenders all of whom are executing counterparts (except to vesting and payment instructions) of this loan servicing agreement. When so executed, all such counterparts shall constitute an agreement between all holders of interest in the "NOTE" and "DEED OF TRUST" as well as between "LENDER" and "COMPANY";
- 2. A default upon any interest in the "NOTE" shall constitute a default upon all interests. A majority in interest of lenders may determine and direct the actions to be taken on behalf of all lenders in the event of default or with respect to other matters requiring the direction or approval of lenders, and such majority may designate the "COMPANY" to so act in their behalf.
- 3. "COMPANY" shall furnish to "LENDER" a list of names and addresses of all lenders holding an interest in the "NOTE" upon five (5) days written notice.
- 4. A majority in interest of lenders may terminate "COMPANY'S" authority hereunder at any time upon 10 days written notice and upon repayment of any outstanding payments made by "COMPANY" on "LENDER'S" behalf and accrued expenses incurred by the "COMPANY" in connection with servicing the "NOTE".
- 5. If any "LENDER" fails to act at the direction of the majority of "LENDER's" or fails to advance funds to protect the security of the "NOTE" or the equity interest in real property, the following provisions apply to the minority "LENDER" who fails to act or fails to advance funds.
 - a. Will be liable to the remaining investors for all damages incurred as result of the "LENDER's" failure to act or failure to advance funds.
 - b. Will be liable for actual attorneys' fees incurred as result of said failure to act or failure to advance funds.

If any "LENDER" acting individually or jointly with another "LENDER" or other "LENDER"s (herein called "ADVANCING LENDER"), when acting to complete a decision of the majority of "LENDER"s, advances the funds on behalf of any "LENDER" who fails to advance funds to protect the security of the "NOTE" or the equity interest in real property (herein called a "DEFAULTING LENDER"), the "DEFAULTING LENDER":

- a. Will pay interest to the "ADVANCING LENDER" on said advance at the rate of 5% over the applicable Federal Discount Rate.
- b. Will fully subordinate to the interest of the "ADVANCING LENDER". This subordination will allow the "ADVANCING LENDER" to be paid upon the payoff of the "NOTE" or at the sale of the real property, all advances made (even advances of the "DEFAULTING LENDER" and "ADVANCING LENDER"), all original principal invested, all interest, and all costs and expenses incurred to date of said payoff of the "NOTE" or at the sale of the real property.

All "LENDER"s acknowledge this provision could cause serious financial loss of the investment of the "DEFAULTING LENDER".

6. "COMPANY" shall deposit all receipts collected for, or from, "LENDER", less any sums properly deducted or disbursed, in a bank, savings bank or other financial institution whose deposits are insured by an agency of the United States government. The funds shall be deposited in "COMPANY'S" Broker Trust Account (the "Trust Account") which is to be determined by "COMPANY". The "Trust Account" may be changed from time to time by "COMPANY". The "Trust Account" shall be separate from "COMPANY'S" personal accounts. Neither the deposited funds nor any other funds to which "LENDER" may be entitled shall bear interest while in the possession or control of "COMPANY". "COMPANY" shall not be liable for loss in the event of bankruptcy or failure of a financial institution.
7.
 - a. "LENDER", within 10 calendar days from request by "COMPANY", shall advance funds to "COMPANY", so that "COMPANY", from said funds, may pay, including, but not limited to, real property taxes and/or assessments, premiums on insurance, payment of senior liens and/or encumbrances, foreclosure fees and costs, attorney fees and costs, necessary repairs, the costs of all mandates by any governmental entity, accounting, fees and costs under this Agreement and legal fees and expenses reasonably necessary under this Agreement. Any costs or fees earned or incurred by "COMPANY", its affiliates and/or subsidiaries pursuant to the terms of this Agreement, shall be recoverable under this Agreement and shall be subject to all of the "COMPANY'S" remedies herein, even though "COMPANY" has not actually paid the fees and/or costs.
 - b. Any sums advanced by the "COMPANY" from its funds to or on behalf of "LENDER" to protect or enforce the "LENDER'S" interest or rights under the Deed of Trust, will be repaid by "LENDER" upon "COMPANY'S" demand together with interest from the date of the advance on said payment at the rate of ten (10%) percent per annum. "COMPANY" is hereby authorized to reimburse itself for such amounts from any funds it holds for the benefit of "LENDER". "COMPANY" is neither obligated to make any such payment, nor to continue making such payments, even though it may, from time to time, elect to make one or more such payments on behalf of "LENDER". "COMPANY" shall charge a 3% fee or \$50.00, whichever is higher, for coordinating the advance.
 - c. For the purpose of securing any sums owed to "COMPANY" for any advances, unpaid accumulated interest on advances, or for unpaid compensation, "LENDER" hereby grants "COMPANY" a security interest in and a lien against: (1) any funds held by "COMPANY" in the "Trust Account" on behalf of "LENDER" (whether acquired with respect to the Deed of Trust or with respect to other properties and/or investments), (2) "LENDER'S" share of any disbursements due to "LENDER", and (3) "LENDER'S" undivided interest in the Deed of Trust or acquired property.
8.
 - a. The "COMPANY" shall be entitled to proceed under the provisions of California Commercial Code S 9501 et seq. to enforce its security interest and lien against "LENDER'S" personal property without first proceeding against any real property security held by "COMPANY". The parties hereto agree that the "Trust Account" is a "general intangible" and a deposit account as defined under section 9106 of the California Commercial Code. The parties agree that the security interest created hereby attaches immediately upon the deposit of any funds in the "Trust Account".
 - b. "LENDER" grants "COMPANY" a power of sale, and incorporates the provisions of Civil Code SS 2924 et seq., as if fully restated herein, to permit "COMPANY" to nonjudicially foreclose on its real property lien, should it desire to do so, in the same fashion and on the same terms as the Deed of Trust could be nonjudicially foreclosed. For the purpose of such nonjudicial foreclosure, the "COMPANY" shall be deemed to be the trustee, unless and until a substituted trustee is named pursuant to Civil Code S 2934a. The "COMPANY'S" lien against funds held for disbursement to "LENDER" may be exercised by offset (i.e., by disbursing the funds directly to "COMPANY"). The remedies herein are cumulative with any other remedies provided under this Agreement and/or by law or equity.

- c. "LENDER" authorizes "COMPANY" to place a demand for its costs and fees with any escrow relating to the Deed of Trust or acquired property and to have said demand paid directly by the escrow holder at the close of escrow. This agreement is the "LENDER'S" irrevocable escrow instruction and authorization for any such escrow holder to directly pay any such demand submitted to escrow by "COMPANY".

ARBITRATION OF DISPUTES

All controversies and/or claims between the parties hereto, including "COMPANY", arising out of or relating to the loan contemplated by this agreement, including but not limited to the arranging thereof, documents relating thereto, and the servicing and enforcement thereof, shall be determined by arbitration in accordance with applicable rules of the American Arbitration Association. Judgment on the arbitrator's award may be entered in any court having jurisdiction. Without waiving a party's right to arbitration, any party may apply to any court of competent jurisdiction for the following: (a) to enforce the assignment of rents provision contained in any deed of trust securing the loan, including the appointment of a receiver; (b) to secure possession of the real property subject to the deed of trust by an action for unlawful detainer. Any proceeding for judicial foreclosure shall not be subject to arbitration. The exercise of the power of sale contained in the deed of trust securing this loan, or the exercise of any private default remedies under the Uniform Commercial Code shall not constitute a waiver of this agreement to arbitrate nor shall they be deemed inconsistent with arbitration.

NOTICE: BY INITIALING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTOOD THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROV ARBITRATION.

INITIAL-->> LENDER: _____

COMPANY: _____

"COMPANY" agrees to demand payments pursuant to the terms and conditions of the "NOTE" and "DEED OF TRUST", and further discloses and "LENDER" agrees and understands that, in the event of default, foreclosure, bankruptcy and other legal proceedings, payments may not be received pursuant to the actual terms of the "NOTE", unless terminated as specified above.

The term of this Agreement shall be for the same period of time as the life of the loan purchased by "LENDER".

This Agreement will constitute the entire Agreement between the parties hereto regarding the subject matter herein. Any prior Agreement, promises or representations concerning the subject matter not expressly set forth in this Agreement are of no force or effect. Signature of this Agreement below shall represent an understanding of all provisions as set forth in the Agreement and shall include all of the provisions hereof.

This Agreement shall bind and insure to the benefit of all the heirs, executors, administrators, successors and assigns of the parties.

If "LENDER" cancels this agreement for any reason, "LENDER" shall pay "COMPANY" \$50.00 prior to effecting said cancellation. Shall either party wish to cancel this contract, a 30 day notice in writing must be given. If contract is canceled, all fees due PLM are due and payable immediately.

"COMPANY" is guaranteed a minimum of three months servicing fees.

Any payment (other than the forwarding of a borrower's payment) made by "COMPANY" to or on behalf of "LENDER", to senior liens or to otherwise protect or enforce the "LENDER" 's security or rights hereunder, will be repaid by "LENDER" upon "COMPANY" 's written demand together with interest on said payment at the rate of 5% over the applicable Federal Discount Rate, and "COMPANY" is hereby authorized to reimburse itself for such amounts from any funds it holds for the benefit of "LENDER". "COMPANY" is neither obligated to make any such payment nor to continue making such payments should it elect to make one or more such payments on behalf of "LENDER.". "LENDER" hereby agrees to hold "COMPANY" harmless for "LENDER'S" failure to make any advance to a senior encumbrance or any other advance that is necessary to protect the security of their investment when notified by "COMPANY" of the default or the need for said advance. As consideration for the services to be rendered by "COMPANY" for "LENDER", "LENDER" authorizes "COMPANY" to make and retain to 1/12th of the following "SERVICE

RATE” of the outstanding principal balance of the “NOTE” and to retain any forwarding fee, demand fees, beneficiary fees, processing fees and those items listed under “ADDITIONAL SPECIFIC SERVICING FEES” below.

Service Rate: % per annum (based on principal balance), payable monthly

Minimum Service Fee: \$10.00 per month, per file.

ADDITIONAL SPECIFIC SERVICING FEES:

Late Charge Disposition:

Prepayment Disposition:

Other: Payment plan fees, modification fees, advancing fees, demand fees, returned check charges, reconveyance fees, statement fees to “COMPANY”

STANDARD FEES:

Assignment of Deed of Trust(includes computer charge)	\$65.00 plus recording fee and title ins. fee
If the Assignment includes the exchange of funds and Title Insurance Endorsement	\$200.00 plus recording fee and title ins. fee
Computer changes involving Assignments (which we have not prepared)	\$15.00
Preparation of Forbearance Agreements (Including borrower negotiations)	\$250.00
Analysis/Clerical - beyond contract	\$45.00 hour
Preparation of Modification Agreements (including balloting of investors, but not including any required subordination agreements)	\$250.00 (for 12 month agreement) plus \$15.00 per signature over 5
Reconveyances	\$65.00 plus recording fee
Demand fee	\$60.00
Passbook accounts fbo borrowers (Not available on Section 32 loans)	\$300.00 for one year paid through escrow \$500.00 for two years paid through escrow

Security agreements and disbursement instructions must be part of the file.

New construction accounts	\$150.00 per account paid through escrow for SFR-other types of construction, please call for quote. Required paperwork must be signed. Please call for package.
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Standard Fees Subject to Change

Bankruptcy Proceedings by Trustor(s) or other affecting parties: In addition to coordinating the legal aspect of the bankruptcy proceedings, “COMPANY”s special bankruptcy unit administers your loan throughout the bankruptcy proceedings. “COMPANY” coordinates with legal counsel, arranges to have court appearances made when necessary, arranges for appraisals of the property, if necessary, and coordinates all other legal services provided to you by outside counsel.

“COMPANY”s administration charges for these extra services caused by borrower’s bankruptcy filing (usually repayable by the borrower) will be assessed on completion of the bankruptcy processing. The administrative charge will be \$100.00 for the first three months of the proceedings and an additional \$75.00 per month thereafter. In them event the bankruptcy proceedings should exceed one year, the cost of administration thereafter will be \$275.00 per year or any part thereof. In addition, if an appearance in court is required by “COMPANY’S” personnel, an additional cost of \$325.00 will be assessed for the appearance; any appraisal required by the court will be assessed at a cost of up to \$475.00 each (residential only).

The undersigned “LENDER” understands that a portion of said servicing fee(s) may be paid to outside parties who may, or may not, provide referral, finder or other services. Such persons may include, but are not limited to, individuals or corporations licensed by the Department of Real Estate or by other governmental or regulatory entities.

The following addendums are attached hereto and made a part hereof:

___ Blanket Addendum ___ Escrow Addendum ___ Other _____
___ Equity Interest Agreement ___ Service Rate Addendum

<<f38>> - Lender(s)/Date

<<f39>> - Lender(s)/Date

Investor Mailing Address: _____
City, State, Zip Code: _____
Phone: _____
Social Security Number: _____

Investor Check Payable to:
Address: _____
City, State, Zip Code: _____
Phone: _____
Tax I.D. Number: _____