

«f80»
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«f82», «f83»

LENDER SERVICING AGREEMENT

Loan No.: «f2»

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

Date: «f3»

THIS LOAN SERVICING AGREEMENT IS MADE BETWEEN , A LICENSED CALIFORNIA REAL ESTATE BROKER (HEREAFTER REFERRED TO AS "COMPANY") AND THE UNDERSIGNED, (HEREAFTER REFERRED TO AS "LENDER", WHETHER ONE OR MORE) WHO IS OR IS ABOUT TO BECOME THE OWNER OF AN UNDIVIDED $\frac{\%}{100}$ INTEREST IN A PROMISSORY NOTE ("THE NOTE") SECURED BY A DEED OF TRUST ("THE DEED OF TRUST") UNDER THE ABOVE REFERENCED LOAN NUMBER.

LENDER HEREBY AUTHORIZES AND INSTRUCTS COMPANY AND COMPANY AGREES TO SERVICE THE NOTE AND THE DEED OF TRUST AND IN THAT CONNECTION, TO DO THE FOLLOWING:

- A. To receive any and all payments, including principal payments in whole or in part, due to Lender on the Note;
- 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 25 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; payment received from the 1st to the 10th of each month will be disbursed on the 15th of the month. If the 15th is a Saturday, Sunday, or holiday; checks will be issued the next business day. If payments are received from the 11th to the 20th of the month, checks will be disbursed on the 25th of the month. If the 25th is a Saturday, Sunday, or holiday; checks will issued the next business day. Payment received after the 20th of the month will be disbursed on the 15th of the next month.
- 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 or advance of funds for the Lender's account or taking such other action as Company deems necessary or desirable to protect the security of the Deed of Trust or the priority thereof;
- 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, including but not limited to, the Note, Deed of Trust, Loan Agreement, Lenders Escrow Instructions, Borrowers Escrow Instruction, this agreement or any other document representing this loan, including but not limited to, Lenders Escrow Instructions, Loan Agreements, Request for Reconveyance, Payoff Demands, Beneficiary Statements, Declarations and Notices of Default, bidding authorizations, and other instructions to Escrow Holders or the Trustee of the Deed of Trust;
- H. To receive Notices of Default of prior encumbrances and to promptly notify Lender of any default upon the note and any prior encumbrances;
- I. Any payment or advance of funds (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 Note 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.
As consideration for the services to be rendered by Company for Lender, Lender authorizes Company to make and retain from funds received a monthly loan servicing charge equal to Ten Dollars (\$10.00) per month, payable monthly, and to retain any assumption, demand, beneficiary and processing fees. Late charges shall be retained by Lender. Prepayment Penalties shall be retained by Lender.
- J. **The following provisions (1) - (4) 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 the Deed of Trust as a tenant in common with another or other Lenders all of whom are executing counterparts (except as to vesting and payment instructions) of this loan servicing agreement. When so executed, all such counterparts shall constitute an agreement between all holders of interests in the Note and the Deed of Trust as well as between Lender and Company.
 - (2) A default upon any interest in the Note or The Deed of Trust 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 ten (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.

I/We designate, that the undersigned's undivided % interest of the herein described Note and Deed of Trust be vested as follows:

Payments should be disbursed to the following payee(s) at the following address(es):

Each of the undersigned represents that He/She and all Payees and Vestees of the Note designated by the undersigned are over the age of 18, are competent and are residents of the State of California. I/We further understand that the Note and Deed of Trust described herein may not be transferred to Non-California Residents.

ARBITRATION OF DISPUTES

All controversies or claims between the parties hereto 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.

"NOTICE: BY SIGNING 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 DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "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 UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

_____ Initial _____ Initial _____ Initial _____ Initial

«f38» Lender(s) Signature - Date

«f39» Lender(s) Signature - Date