



4940 Pacific Street, Rocklin CA 95677

Office: (916) 672-6130

STANDARD LOAN SERVICING AGREEMENT

Loan Account:

Lender Account:

Borrower

Lender (Client)

This Standard Loan Servicing Agreement (the "Agreement") is dated _____ and is between MAE Capital Mortgage Inc., a California corporation as Servicing Agent, licensed as a California Real Estate Broker by the State of California Bureau of Real Estate License number 01913783 (hereafter referred to as "Servicer"), and the Lender or Lenders whose signatures appear below and in counterparts to this Agreement (together, hereafter referred to as "Client"), who is the lender, originator, owner, owner of an interest therein, holder or transferee of certain promissory notes (the "Notes") secured by Deeds of Trust (the "Deeds of Trust"), mortgages (the "Mortgages"), or other instruments ("Instruments", with Deeds of Trust and Mortgages, each, a "Security Instrument"), including the loan account number and borrower referenced above and/or referenced in attached Lender Statements listing borrowers, if more than one loan, for its own account or private and institutional investors or lenders (the "Lenders") and is a licensed Mortgage Broker or other entity license number _____ or is exempt from licensure. Servicer may have additional agreements including sub servicing or fee arrangements with brokers ("Brokers") or other entities related to the Notes and Deeds of Trust, Mortgages or Instruments comprising the loans (the "Loans") subject to this Agreement, but, as expressly set forth herein, any such agreements will have no impact on any of the terms and conditions of this Agreement with Client. Client hereby authorizes and instructs Servicer and Servicer agrees to service the Notes and Deeds of Trust, Mortgages or Instruments and in that connection, to do the following:

1.0 Scope. Client retains Servicer as Client's agent to employ commercially reasonable and prudent practices to collect all scheduled payments on all Loans subject to this Agreement including the enforcement of specific Lenders' rights of processing demands, processing or coordinating foreclosures, and recording reconveyances/releases. Client must supply to Servicer all available relevant documents of the Loan file including, but not limited to Notes, Deed/Mortgages, Modification Agreements, Forbearance Agreements, Assignments or any other document effecting condition of title or payment distribution and showing the correct Beneficiary, needed by Servicer to complete its tasks, including but not limited to, file setup, servicing functions, and to satisfy regulatory requirements, before servicing functions will be performed, continued, or funds distributed. Upon any occurrence that could impact servicing functions, including but not limited to, Assignment of Beneficial Interest, modification of Loan terms, Client must notify Servicer immediately of such occurrence and provide copies of relevant documents before servicing functions will be performed, continued, or funds distributed. Servicer shall follow instructions from Client if Client is majority owner of Loans, and/or from originating Broker in accordance with a Master Servicing Agreement with such originating Broker, unless directed in writing or by email by Client otherwise. If the Loan is owned by multiple Lenders (a "Multi-Lender Loan"), Servicer shall consult with all Lenders but shall only follow instructions from the Majority. A Majority is determined by 51% or more ownership of the Note. A default upon any interest in the Note shall constitute a default upon all interests. The Majority 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, including but not limited to, designation of Brokers, servicing agents or others acting on their behalf and the sale, encumbrance or lease of any real or personal properties which may be owned by Lenders as the result of foreclosure or receipt of a deed in lieu of foreclosure, or modification or forbearance of the Loans. Servicer shall consult with Client, Majority, and/or originating Broker, as the case may be, on non-routine collection matters. Servicer shall not, however, enter into any modification or forbearance of the Loans with any borrower without the express written permission of the Lenders (or a Majority of Lenders in a Multi-Lender Loan).

1.1 Analyzed Trust Account Disclosure: Client authorizes Servicer to deposit all funds received in connection with this Agreement into an analyzed trust account at an FDIC insured bank. The analyzed trust account accrues credits that are used to offset bank service charges assessed to Servicer, which provides a financial benefit to Servicer. Any unused credits not used to offset bank service charges will not benefit Client in any manner.

2.0 Term and Termination. This Agreement shall begin on the date set forth above. The appointment of Servicer as Servicing Agent hereunder shall continue until each Loan is paid in full, servicing is transferred, or 30 days after either party to this Agreement gives written notice or email notice to the other of its intent to terminate this Agreement. On an individual Loan basis, this Agreement shall terminate as to that Loan when any of these events occur: (a) payment in full of the Loan and reconveyance of the related Security Instrument securing the related Loan; (b) 30 days' written notice by Servicer to Client; (c) 30 days' written notice by Client to Servicer (unless a shorter period of time is permitted under certain circumstances as provided in this Agreement or applicable law), or (d) recordation of a Trustee's Deed or Sheriff's Deed following a foreclosure of the Loan. All rights and authority under this Agreement shall continue upon written authorization by the Client for Servicer to handle the property management and property liquidation resulting from foreclosure.



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2.1 Upon termination of this Agreement in its entirety or as to any one Loan, Servicer shall deliver to Client all of Client's funds, an appropriate accounting and all necessary documentation. At termination of all Loans or a terminated Loan, Client shall reimburse Servicer for any outstanding advances made pursuant to paragraph 4.0 within twenty (20) days upon written demand by Servicer to Client.

2.2 If Client terminates or transfers servicing on any of the Loans subject to this Agreement to another party or servicer other than Servicer, Client must first pay in full all servicing and related fees due Servicer and a \$65 per Loan transfer fee, then Servicer will create and send the corresponding RESPA "goodbye" letters, Master Reports, and transfer relevant escrow/impound amounts. Additional requests may be subject to customary and reasonable additional charges. This transfer fee does not apply to Loans that are paid off or sold by Client. If any Loan being serviced by Servicer is government regulated, such as an existing HAMP loan, then Servicer will only transfer beneficial interest in the Loan and/or servicing to a Lender and/or servicer meeting the regulatory requirements. Servicer's compensation in any area is subject to change upon 30 days written notice to Client; Client may avoid changes by terminating this Agreement in writing at any time during said 30 day period, and Client shall not be liable for the foregoing transfer fee. **Invoices to Client for services provided by Servicer, or arranged through Servicer, are due upon receipt and payable within 20 days, after which time they will be considered delinquent and subject to a 10% past due charge; provided, however, that if Client disputes any amounts reflected in such invoices, Client and Servicer agree to work together in good faith to resolve such disputes. If Client's account becomes delinquent, all activities of Servicer on behalf of Client may cease.**

2.3 **Servicers Right of Interpretation.** In accordance with various and changing State and/or Federal Laws, State and/or Federal Case Law, and Servicer's interpretation of such laws, proper procedures and risks, Servicer reserves the right to: (a) determine how advances and/or late charges are assessed and to adjust all unpaid late charges or assessments of late charges accordingly; (b) apply the default interest rate only after the foreclosure has been recorded on owner occupied Loans, and apply the default interest rate normally after the foreclosure has been recorded on non owner occupied Loans; or (c) determine the interpretation and application of other terms and conditions of the Note. By continuing to hire Servicer to service the Loan, Client agrees that Servicer may decline to enforce certain provisions of the Note as noted above. By declining enforcement of certain provisions, Servicer may effectively waive those provisions on behalf of Client. Client agrees to such waiver by continual hire of Servicer and shall have no cause of action against Servicer due to Servicer's determination not to act in accordance with this section.

If Servicer determines that a Loan is predatory in nature, or the Loan does not comply with federal or state requirements, or at any time during servicing of the Loan becomes predatory in nature or does not comply with federal or state requirements, Servicer can refuse to accept the Loan for servicing or can cancel any existing servicing or functions by Servicer related to the Loan as provided above by giving thirty (30) day's written notice. Servicer reserves the right not to pursue or continue any foreclosure on any asset it services if Servicer reasonably believes that foreclosure, or the terms and conditions provided or established by Client, will violate state or federal law or company policy.

3.0 **Loan Documents.** Client or its custodian shall retain custody of the original Note and Deed of Trust or Mortgage for the Loans (or assignment thereof), unless Servicer is specifically authorized by Client and agrees to retain such documentation. If Servicer is to maintain custody of the original Note and Security Instruments for the Loans (or assignment thereof), there will be an additional housing fee of \$250 per Loan to be paid in advance.

4.0 **Protective Advances.** Client or Lender may make such advances as approved by the Majority or, if Client is the only owner of the Loans, such advances that are necessary and prudent to protect and to collect Client's interest in the Loans. If the Loan is a Multi-Lender Loan, and Client fails to make advances approved by the Majority, other owners of the Loan are authorized to advance the amount Client failed to advance and to receive payment in full before any further payments to Client. Client must immediately notify Servicer in writing or by email of any such advances. As a normal course of business, Servicer will not advance any funds on Client's behalf and Servicer hereby agrees to and shall obtain Client's prior written or emailed approval before incurring any financial obligations on behalf of Client.

5.0 **STANDARD LOAN SERVICING PROGRAM Specific Functions.** Servicer shall in accordance with industry standards and applicable laws, rules and regulations: (a) issue monthly statements to each Borrower for each Loan directing Loan repayment to Servicer; (b) issue Late Notices to Borrowers as applicable calculating in any late fees due; (c) issue Final Notices to Borrowers as applicable warning of the possibility of foreclosure if payment is not received; (d) answer Borrower inquiries, demands and requests, and act as intermediary between Borrower and Client; (e) issue payoff demands, and beneficiary statements, (f) demand, receive and collect all Loan payments, deposit them by the next business day into Servicer's trust account and transfer by bank wire (ACH) or check Lender's and/or Client's share of such funds (net proceeds) in accordance with instructions provided to Servicer, normally within 10 days of receipt or upon sufficient time to clear funds (but not more than twenty-five (25) business days from the time funds have been cleared); (g) issue annual income tax statements (1098 and 1099-INT) to all Borrowers and Lenders; (h) execute and deliver on Client's behalf and in Client's name any documents necessary or convenient for the exercise of any rights or duties which Client may have as servicing agent under the Security Instruments, including but not limited to preparing and issuing Requests for Reconveyance or Release, recording a Full or Partial Reconveyance or Release and Beneficiary Statements; (i) convey Payoff Demands within two business day of receipt to Client for written or email approval, and if Client's written or email approval is not received by Servicer within the following two business



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days, Servicer possess the right to assume the Payoff Demand to be correct and accept it; and (j) with consent of the Client or Lender or the majority of Lenders, as the case may be, Servicer shall process foreclosures when directed to do so in writing or by email and provide Client with copies of the notice of default (if appropriate) and the notice of sale filed by Servicer, and will have authority to act on behalf of the Client or Lenders to execute all foreclosure documents including, but not limited to, Substitution of Trustee. Servicer may produce a copy of this Agreement as evidence of its authority. **Client understands that Client or its designee is responsible for active collection efforts including outgoing collection calls, skip trace, borrower negotiations, letters of understanding, loan modifications, forbearance agreements, short pay negotiations, short sale coordination, REO property management, evictions, bankruptcy tracking, and outside of California foreclosure processing and tracking. Client must give Servicer exclusive right to handle all California real estate related foreclosures with respect to such Loan.** Servicer's foreclosure fees shall not exceed state statute for foreclosure fees. Administrative fees and/or deposits are required from Client in order for Servicer to initiate foreclosures.

6.0 STANDARD LOAN SERVICING PROGRAM Compensation. For Servicer's services and/or management fees earned, and/or portions of interest payments made on the Loan to which a third party is entitled, Servicer shall deduct, on a pro rated basis, an annual fee or amount equal to either (i) ___% of the regularly scheduled principal Loan balance if the fee earned is a result of a servicing fee or (ii) ___% of the applicable principal balance of the Loan from the interest actually paid by the Borrower if Servicer and/or a third party who is supposed to receive a portion of the interest payments on the Loan that was brokered, originated, or sold (hereinafter referred to as the "Spread") plus (iii) % based on the Standard Loan Servicing fee schedule set forth in this paragraph, inclusive of the impounds or escrow fees contained in section 9.0 if such service is requested by Lender. The Standard Loan Servicing Fee Schedule is a monthly base servicing fee on each and every Loan in the amount of \$15 per month per Lender; Servicer will be entitled to an additional \$5 per month per Lender for a HELOC and/or Variable Loan; Loans over \$600,000 are subject to an annual servicing fee of 0.075% of the unpaid principal balance of the Loan paid monthly (0.075% of \$1,000,000 UPB divided by 12 equals \$62.50 per month), or \$15 per month per Lender, whichever is greater. Loans in Bankruptcy are treated as two Loans, a pre petition Loan and a post petition Loan. If there is a Spread, then Servicer may be deducting its fee from the Spread disbursement. There is a one time Loan Setup and File Scrubbing Fee of \$45 per standard Loan, or \$150 per performing Bankruptcy or Forbearance Plan Loan that is to be included when submitting the Loan for servicing. Servicer shall be entitled to a \$45 administration fee for resetting a Loan after a Loan is set up in servicing due to Assignment, disbursement, draw, modification or similar situation. Servicer shall be entitled to: (a) all fees for payoff demand statements and related documents, returned check charges, if applicable; (b) **50%** of paid monthly late charges; and (c) 100% of the standard monthly Loan servicing fee during the foreclosure process. The Spread and/or monthly servicing fee earned by Servicer and all hard costs incurred in the normal transaction of business, including but not limited to actual attorney's fees, foreclosure costs, property valuations, title fees, property preservation costs, municipal charges, taxes, and agent fees may be deducted from Client or Lender's proceeds, charged to a Client Credit Card kept on file by Servicer, deducted from an established expense Reserve Account, or may be billed separately, as determined by Servicer. All hard costs in excess of \$100 must be approved by Client in writing, or by email, before being incurred by Servicer. Extraordinary activity and special requests may be subject to reasonable additional charges. Servicer's compensation is subject to change upon 30 days written notice to Client; Client and Lenders may avoid changes by terminating this Agreement in writing at any time during said 30 day period. Fees for certain documents and services, if available, will be charged according to the General Fee Schedule listed on [Addendum 1](#)

7.0 This section intentionally left blank.

8.0 This section intentionally left blank.

9.0 Optional ESCROW/IMPOUNDS SERVICE. To the extent required by the Loan documents, Servicer can provide the following property insurance and property tax service for first position Loans for \$15 per Loan per month. This fee will be added to the monthly loan servicing fee and prorated to the respective Lenders.

If this optional service is requested in writing or by email by Client and accepted in writing or by email by Servicer, and if all required information is supplied per the MAE Capital Mortgage Servicing Checklist, and associated fees are paid, when the borrower's monthly payment includes amounts for the payment of insurance and/or property taxes, Servicer will collect and hold those proceeds in a trust account insured by the Federal Deposit Insurance Corporation and disburse the scheduled payments to the respective authority as scheduled. Any funds remaining in the account after full repayment of the Loan shall be released to the borrower. Client may direct Servicer, upon acceleration of the Loan due to default, in Client's sole subjective discretion, subject to any applicable law, including RESPA which may prohibit such direction, how to apply the funds it receives toward reduction of the amount owed under the Loan documents (applied to advances, principal, interest or other expenses, in the Servicer's sole discretion), completion of any work on the property securing the Loan, protection of the property or other purposes permitted by this Agreement, the Loan documents or law, or any combination thereof. Servicer accepts no responsibility for the consequences of incorrect information supplied by Client or Lender. Servicer is not responsible for the consequences of any non-payment of insurance or property taxes. If any interest on the balances aggregated is required by applicable law to be paid to the borrower for impounding borrower's monies, Client will be responsible to pay such interest on demand by Servicer. If a borrower's escrow funds are insufficient to pay insurance and/or property taxes, Client shall immediately advance



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to Servicer's escrow account funds sufficient to cover the shortage; Client's failure to do so may jeopardize Client's lien position due to the failure of insurance and/or property taxes, and Servicer accepts no responsibility for Client's failure to make such an advance provided such failure was not the result of an act or omission of Servicer or its agents, employees or vendors. Whenever possible, Client's advance will be recovered from borrower's subsequent payments into escrow for insurance and/or property taxes proceeds.

9.1 Insurance and Taxes. If the borrower's monthly payment does not include amounts for the payment of insurance and/or property taxes, it is the responsibility of the Client to: a) verify insurance coverage annually and send copies of insurance coverage to the Servicer, however Servicer is not responsible for the consequences of any non-payment of insurance; b) check for payment of taxes annually or use a Tax Service; Servicer may receive notices of property tax delinquencies and notify Client of any known non payment of taxes if Client has signed up for a Tax Service and listed Client and Servicer for notices of non payment of taxes, however Servicer is not responsible for the consequences of any non payment of taxes. Servicer accepts no responsibility for the consequences of incorrect information supplied by Client.

10.0 No Additional Obligations of Servicer. Client acknowledges that Servicer has no obligation, other than described elsewhere in this Agreement, to make any payment (other than the forwarding of a Borrower's payment) to or on behalf of Client, to senior liens or to otherwise protect or enforce the Client's security or rights hereunder. In the event any payment collected for the benefit of Client is returned NSF or uncollectible in Servicer's Trust Account, Client will immediately upon notification from Servicer, return Servicer's uncashed Trust Check, or immediately reimburse Servicer's Trust Account the full amount received from Servicer's Trust Check. In no event is Servicer obligated to cover or make good Borrower's shortages in Servicer's Trust Account. Servicer is hereby authorized to place a "Stop Payment" on Client's Trust Check from Servicer, or reverse any ACH (Electronic Funds Transfer) whenever the representing funds are returned NSF or uncollectible in Servicer's Trust Account. Servicer may deduct such amounts from any proceeds due Lenders. Servicer is not liable for any losses related to Loan adjustments from variable rate, HELOC, or other similar type Loans, or changes in Loan terms due to modification, unless notified in writing by the Client or Lender of the adjustment. Changes shall become effective no sooner than two weeks after this notification is received by Servicer. Servicer does not offer senior lien monitoring, but can refer Client to an independent service provider. Client is responsible on junior liens for verifying insurance coverage and tax payments with senior liens. It is the responsibility of the Client to track maturity dates and, if desired, request Servicer to prepare a Maturity Notice to the Borrower for a fee. It is the responsibility of the Client or Lender to periodically monitor Loan Data, Borrower payments and servicing activity by using the Servicer's web Customer Login at www.maecapital.com or by reading the monthly report sent by Servicer. If Client requires or requests additional reporting beyond what is provided by Servicer using its standard reporting and web login, there will be additional reasonable charges for setup, custom report templates, programming, maintenance, and regular distribution of such information.

11.0 Indemnification. Servicer shall indemnify, defend and hold Client and its trustees, officers, employees, representatives, members, directors, parent companies, affiliates, subsidiaries, successors and assigns harmless from any and all claims, demands, causes of action, losses, damage, fines, penalties, liabilities, costs and expenses, including reasonable attorney's fees and court costs, sustained or incurred by Client by reason of or arising directly from third party claims that were caused by or resulted from (A) any actions or omissions by Servicer, Servicer's sub servicers, contractors, or agents, that are outside the scope of its authority hereunder except to the extent Client has approved in writing of the action that was outside the scope of its authority and/or (B) taking any action, or refraining from taking any action, with respect to any Loan or property, by Servicer, Servicer's sub servicers, contractors, or agents, that result from the malfeasance, willful misconduct, gross negligence, breach of this Agreement or a failure by Servicer to act in compliance with the terms of this Agreement. The foregoing indemnification shall survive the termination of this Agreement.

Client shall indemnify, defend and hold Servicer and its officers, employees, representatives, members, directors, parent companies, affiliates, subsidiaries, successors and assigns harmless from any and all claims, demands, causes of action, losses, damage, fines, penalties, liabilities, costs and expenses, including reasonable attorney's fees and court costs, sustained or incurred by Servicer by reason of or arising directly from third party claims or actions that were caused by or resulted from (A) any actions or omissions in respect of any Loan or property of any prior servicer, sub-servicer, owner or originator of a Loan or property, and/or (B) taking any action, or refraining from taking any action, with respect to any Loan or property, that result from the malfeasance, willful misconduct or gross negligence of Client, Client's sub servicers, contractors, or agents, or from the failure of the Client to provide Servicer the necessary Loan documents in order to allow Servicer sufficient time to timely process satisfactions, payoffs and releases. The foregoing indemnification shall survive the termination of this Agreement.

12.0 Licenses. Servicer represents and warrants to Client that it, any agent, employee, or any vendor hired by Servicer, holds all required and applicable federal, state and/or local licenses, certificates and other permits as may be necessary to conduct the activities required by its engagement and this Agreement and that the Servicer's performance of such services will not conflict with or violate any applicable agreement, law or regulation applicable to Servicer. Servicer further represents and warrants to Client that it is and will continue to be in compliance with all applicable federal, state and local laws, ordinances and regulations pertaining to its business. Servicer further represents and warrants to Client that it is not subject to any court or administrative judgments, orders, injunctions and/or rulings which would have an adverse effect on its ability to service the Loans and perform under this Agreement. Servicer further represents and warrants to Client that neither the Servicer nor any of its directors, officers or principals have been sued by any of the Servicer's present or former clients, partners, co-venturers or other persons and that the Servicer is not



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involved in any litigation which if resolved adversely to the Servicer would negatively impact its ability to perform its obligations hereunder. Client represents and warrants to Servicer that it, any agent, employee, or any vendor hired by Client, holds all required and applicable federal, state and/or local licenses, certificates and other permits as may be necessary to conduct the activities required for Client to receive payments and proceeds collected by Servicer.

12.1 Data. Servicer shall maintain (i) off site backup storage for the data files used in connection with the services provided under this Agreement and (ii) customary security to protect client's proprietary information.

13.0 Independent Contractor. At all times during the term of this Agreement, Servicer shall be an independent contractor and not an employee of Client. Client shall have the right to control Servicer only pursuant to this Agreement. Client shall not have the right to control the means by which Servicer accomplishes its services and duties pursuant to this Agreement. Servicer shall, at its sole cost and expense, furnish all facilities, materials and equipment that may be required for furnishing services pursuant to this Agreement.

14.0 Servicer Not Agent. Except as otherwise provided herein or as Client may specify in writing, Servicer shall have no authority, express or implied, to act on behalf of Client in any capacity whatsoever as an agent. Except as otherwise provided herein or as Client may specify in writing, Servicer shall have no authority, express or implied, to bind Client to any obligation whatsoever.

15.0 Assignment or Subcontracting. No assignment or subcontracting by Servicer of any of its obligations under this Agreement or of funds to be received under this Agreement shall be of any force or effect unless the assignment or subcontract has had the prior written approval of Client. Client may terminate this Agreement rather than accept any proposed assignment or subcontracting and Client shall not be liable for any transfer fee.

16.0 Equal Employment Opportunity. During the performance of this Agreement, Servicer agrees as follows:

a. Servicer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or mental or physical disability. Servicer shall ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, national origin, or mental or physical disability. Such actions shall include, but not be limited to the following: employment upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Servicer agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

b. Servicer shall, in all solicitations and advertisements for employees placed by, or on behalf of Servicer, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, sex, national origin, or mental or physical disability.

c. Servicer shall cause the foregoing paragraphs (a) and (b) to be inserted in all subcontracts for any work covered by this Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

17.0 Conflicts of Interest. Servicer agrees that it shall not make, participate in the making, or in any way attempt to use its position to influence any decision of Client in which Servicer knows or has reason to know that Servicer, its officers, partners, or employees have a financial interest as defined in Section 87103 of the Government Code.

18.0 Insurance.

a. Servicer shall carry workers compensation insurance as required by law for the protection of its employees during the progress of the work. The insurer shall waive its rights to subrogation against Client and Lenders, their officers, agents and employees and shall issue a certificate to the policy evidencing same upon request.

b. Servicer shall maintain during the life of this Agreement: (a) Errors and Omissions insurance of \$1 million per occurrence with a \$1 million aggregate; (b) General Liability insurance of \$1 million per occurrence with a \$3 million aggregate; (c) Fidelity Bond of \$500,000.

c. Servicer shall promptly notify the Client if any required insurance lapses or is otherwise modified and cease performance of this Agreement unless otherwise directed by the Client. In such case, the Client may procure insurance or self insure the risk and charge Servicer for such costs and any and all damages resulting therefrom, by way of set-off from any sums owed Servicer.

19.0 Audit of Records. In accordance with generally accepted accounting principles and industry standards, Servicer shall maintain reasonably full and complete records of the cost of and completion of services performed under this Agreement. During the term of this Agreement and for a period of two years after termination or completion of this Agreement, Client shall have the right to inspect and/or audit Servicer's records pertaining



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to the performance of this Agreement at Servicer's office. Servicer agrees to make available all records for inspection or audit at its offices during normal business hours and upon seven (7) days notice from Client.

20.0 Compliance with all Laws. Servicer shall be knowledgeable of and comply with all local, state and federal laws, rules and regulations that may apply to the performance of this Agreement.

21.0 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California and Servicer and Client agree to submit to the jurisdiction of California courts sitting in the County of Placer.

22.0 Waiver of Breach. Any waiver by any party or a breach of any provision of this Agreement shall be in writing and will not operate as or be construed to be a waiver of any other breach of such provision or any other provision of this Agreement will not be considered a waiver or deprive any party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. In addition, in granting any waiver, the waiving party will exercise its best efforts to ensure that all Parties continue to have substantially equivalent rights, benefits, privileges, duties and responsibilities.

23.0 Soliciting Borrowers or Investors. The Servicer acknowledges and agrees that Client and its affiliates possess and will possess information, whether or not in writing or other tangible form, that is disclosed to or learned by Servicer as a consequence of or through performance of the services, whether or not related to the Servicer's specific work that is important to Client's business (including the names and addresses of the Client's and its affiliates' investors and borrowers) ("Proprietary Information"). Servicer agrees that (a) such Proprietary Information constitute trade secrets of the Client, (b) all Proprietary Information shall be the sole property of Client (or its affiliates, as applicable) and (c) the sale, unauthorized use, or disclosure of any Proprietary Information or other trade secrets obtained by the Servicer during or after the term of this Agreement constitutes unfair competition and an unauthorized use of such Proprietary Information or other business trade secrets. The Servicer promises and agrees not to engage in any unfair competition with the Client and promises and agrees to not engage in any unauthorized use of the Client's Proprietary Information. Servicer shall protect the Proprietary Information with the same degree of care as Servicer employs with its own information of similar importance, but in no event less than a reasonable degree of care. This Section 23.0 shall survive termination of this Agreement. "Applicable Privacy Law" means the Gramm-Leach-Bliley Act, [15 U.S.C. §§ 6801-6827](#), *Interagency Guidelines Establishing Information Security Standards*, [12 C.F.R. Part 570, Appendix B](#), and other applicable law regarding privacy. "Confidential Information" means any non-public information of Client (or its affiliates), including information whose disclosure would violate Applicable Privacy Law. Servicer will take all of the following measures to protect the confidentiality of the Confidential Information:

- (a) Servicer will hold all of Client's Confidential Information in the strictest of confidence.
- (b) Servicer will safeguard Client's Confidential Information with the same degree of care to avoid unauthorized disclosure as it uses to protect its own Confidential Information of a similar nature, but in any event, no less than reasonable care, which necessarily includes the care required by Applicable Privacy Law.
- (c) Servicer will not disclose any of Client's Confidential Information to any other Person under any circumstances, except as required by law.
- (d) Servicer will not use (or assist or permit its any other person to use) any of the Confidential Information for any purpose other than the performance of its duties as Servicer.
- (e) Servicer will maintain all information subject to Applicable Privacy Law in accordance with standards required by Applicable Privacy Law, even beyond the term of this Agreement.

24.0 Execution in Counterparts/Facsimile or Email Delivery. This Agreement and any addendum, exhibit or schedule hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement may also be executed and delivered by way of facsimile or email. Photostatic copies of this Agreement have the same force and effect as an original of this Agreement.

25.0 Integration and Modification. This Agreement constitutes the entire agreement of the parties. No other agreement, oral or written, pertaining to the work to be performed under this Agreement shall be of any force or effect unless it is in writing and signed by both parties. Any work performed that is inconsistent with or in violation of the provisions of this Agreement shall not be compensated. This Agreement may be modified only by a written agreement signed by each of the parties hereto. Notwithstanding the above, amendments to this Agreement, its exhibits or schedules, may take the form of electronic communication between the Parties, as provided in the Notice provision of this Agreement.

26.0 Severability. If any provision of this Agreement is held to be invalid or unenforceable under any applicable statute or rule of law, then that provision shall be curtailed and limited only to the extent necessary to bring said provision within the legal requirements and this Agreement as so modified shall continue in full force and effect.

27.0 Headings. The headings of the various sections and paragraphs of this Agreement have been inserted for convenience and reference only



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and shall not be deemed to be part of this Agreement.

28.0 Dissemination of Information. Neither Servicer nor Client nor their representatives shall disseminate any oral or written advertisement, endorsement or other marketing material relating to each other's activities under this Agreement without the prior written approval of the other party. No party hereto will use the name, mark or logo of the other party in any advertisement or printed solicitation without first having prior written approval of the other party. The parties hereto shall take reasonable efforts to ensure that its vendors shall not disseminate any oral or written advertisement, endorsement or other marketing materials referencing or relating to the other party without that party's prior written approval. In addition, the parties hereto agree that their contracts with all vendors necessary for the performance of this Agreement will include appropriate provisions to ensure compliance with the restrictions of this Section 28.0 and 23.0. Section 28.0 and 23.0 shall survive termination of this Agreement.

29.0 Litigation Response Costs. Except as otherwise provided in Section 11.0, if Servicer is served with a Summons and Complaint which requires Servicer to appear in person and/or give testimony on behalf of Client for any legal action against Client, Servicer is to be reimbursed for any reasonable litigation response costs, fees and expenses, including, but not limited to, hotel, airline, meals and car rental. Servicer is to be paid \$125 per normal business hour from the Servicer's main office per employee needed. Client shall not be responsible for any such costs and fees if the appearance is a result or related to Servicer's act or activity that were not a direct result of Client's instructions or not within the scope of the Servicer's services contemplated under this Agreement. Servicer shall provide in writing to Client a detailed invoice outlining all items and charges to be paid by Client.

30.0 Client Representations. Client represents to Servicer that, if the Client is acting as a servicer, sub-servicer or agent of private Lenders, that Client has informed Lenders of its choice in outsourcing the servicing to Servicer and that both Client and private Lenders, if any, are jointly and severally liable for the payment of Servicer's fees only if the Client has not paid Servicer's fees in connection with the Loan or property. Client further represents to Servicer that Client owns a valid, existing and enforceable Loan free of any known fraud or wrongdoing by the Client.

31.0 Limitation of Liability of Servicer. Except to the extent the validity of the Loan is adversely affected or caused by Servicer or its representatives, Servicer is not responsible to Client, its successors, assigns, Lenders, or any other third party for the validity of the Loan submitted by Client, including without limitation, (i) the Loan documents, including notes, deeds/mortgages, or assignments, (ii) whether the Loan is a valid, enforceable or existing lien on the property, (iii) the enforceability of the Loan against the Borrower of the Loan, (iv) or any regulatory compliance or violation of any other state or federal laws, including without limitation the Real Estate Settlement Practices Act and the Truth-in-Lending Act that occurred before the transfer of servicing rights and obligations to Servicer.

32.0 Notice. Except as otherwise provided herein, all notices required under this Agreement shall be in writing and delivered personally or by facsimile, email or by overnight delivery service or by first class mail, postage prepaid, to each party at the address listed below. Either party may change the notice address by notifying the other party in writing. Notices shall be deemed received upon receipt, electronic confirmation of delivery as to facsimile or email notices, or 3 days after deposit in the U. S. Mail, whichever is applicable.

33.0 General Reference and Waiver of Jury Trial

a. If a dispute arises out of, or relates to this Agreement, the dispute shall be decided by general reference procedures pursuant to California Code of Civil Procedure Section 638. The general reference shall be commenced by a request or a motion filed with the clerk or presiding judge of the Superior Court of the County of Orange, with a copy served on the other party, pursuant to Code of Civil Procedure Section 638. Any such request or motion shall include a copy of this Agreement. Except to the extent modified herein, the reference shall be conducted in accordance with California law including, but not limited to, the California Code of Civil Procedure and California Evidence Code. Any general reference shall be commenced within the period specified by the applicable statute of limitation for the claim(s) made. All general reference proceedings hereunder shall, unless all parties thereto otherwise agree in writing, be conducted in a mutually agreeable location in the County of Orange, State of California.

b. Subject to an award of fees and costs to the prevailing party in the general reference, each party shall pay one-half of the expenses of the general reference at the rate set by the Court pursuant to Code of Civil Procedure Sections 645.1 and 1023. The referee(s) shall not have the right to convene a jury to be the trier of fact of any controversy hereunder. **BOTH PARTIES HEREBY WAIVE A JURY TRIAL IN CONNECTION WITH ANY DISPUTE ARISING OUT OF THIS AGREEMENT.**

c. No reference arising out of or relating to this Agreement shall include, by consolidation, joinder with or in any other manner, an additional person or entity not a part to this Agreement except by written consent containing a specific reference to this Agreement by both parties hereto unless ordered by a court of competent jurisdiction. Consent to a reference involving an additional person or entity shall not constitute consent to a reference of any claim, dispute or other matter in question not described in the written consent or with a person or entity not named or described therein.



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d. The parties agree that the referee shall be a member of the American Arbitration Association, and be empowered to award to the prevailing party a reimbursement of costs of the general reference, including, without limitation, attorney's fees, expert fees, fees assessed by the referee and the referee's compensation.

e. **BY EXECUTING THIS AGREEMENT, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THIS AGREEMENT DECIDED BY A GENERAL REFERENCE PROCEEDING, WITH A REFEREE AND NOT AN ACTIVE JUDGE, AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR BEFORE A JURY. IF YOU REFUSE TO SUBMIT TO A GENERAL REFERENCE PROCEEDING AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO PARTICIPATE IN THE GENERAL REFERENCE PROCEEDING UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE.**

CLIENT'S MAILING ADDRESS:

SERVICER'S MAILING ADDRESS:

MAE Capital Mortgage Inc..

4940 Pacific Street

Rocklin, CA 95677

Attn: Gregg Mower

Fax:

Fax: (916) 848-3357

Email

Email: gregg@maeoffice.com

Phone:

Phone: (916) 672-6130

CLIENT:

By: _____ Date: _____

Print Name: _____

MAE CAPITAL MORTGAGE INC.:

By: _____

Date: _____

Print Name: Gregg Mower



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Addendum 1

STANDARD LOAN SERVICING FEE SCHEDULE

The schedule below shows the many Hard Money related documents and services that Private Money Brokers and Private Money Lenders in any state can get from MAE Capital Mortgage Inc.. Loans need to be set up in either [Standard Loan Servicing](#) (performing loans).

Standard Loan Servicing Fee Schedule

*Fees are charged as requested by Lender

SERVICE OR DOCUMENT REQUESTED	FEE
Standard Loan Servicing Spread Paid by Borrower	1% per anum
Minimum monthly Loan Servicing Fee paid by borrower	\$15 a month
*Loan Transfer Fee to Another Servicer	\$350
* Deed Preparation other than initial Deed	\$150.
* BPO Exterior Only	\$120
* BPO Interior and Exterior	\$140
*Property Inspection Fee (If requested by lender)	\$125
*Foreclosure Setup (Our fee only Trustee will have additional Fees)	\$175
*Hourly Rate for Lender requested duties if travel is involved all travel expenses to be re-imbursed by lender.	\$175 an Hour + Plus expenses
Late Fees Collected 10% of payment paid by borrower	Split with Lender
Self directed IRA one time fee setup paid by borrower	\$350 + fees paid to custodian
*Additional 1098's or 1099's	\$35 each
* Newly Transferred Loan Setup Fee	\$150
* Default Processing	\$150 + Attorney and or Trustee Fees



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The fee to service a Loan is \$15 per month per Investor/Lender. Loans over \$500,000 up to \$1Mill are 0.075% of the unpaid principal balance divided by 12 (\$1M loan equals \$62.50 per month). Loans over \$1M, add \$15 per million or portion thereof, or \$15 per month per Investor/Lender, whichever is greater.

Optional ESCROW/IMPOUNDS service: When the borrower's monthly payment on a performing first position loan includes amounts for the payment of Property Taxes and/or Hazard Insurance, MAE Capital Mortgage Inc. will collect and hold those proceeds in a trust account and disburse the scheduled payments to the respective authority as scheduled. The fee is \$15 per loan per month and will be added to the monthly loan servicing fee and prorated to the respective Lenders.

Taxes and Insurance Notice: On loans where the Borrower's monthly payment does not include Escrow/Impounds for Property Taxes and Hazard Insurance, it is standard in the industry for the Broker or Investor/Lender to file a Loss Payee Notice with the insurance company, check for payment of taxes once a year or use a Tax Service, and (if applicable) file a Request for Notice of foreclosure with any senior lien holders.

PAYMENT PROCESSING

The Payment Processing portion of the program includes:

- | | |
|------------------------------------------------------------|-------------------------------------------------------------------------|
| • Borrower Welcome Letters | • Phone Access to servicing |
| • Payoff Demands | • Email Access to servicing |
| • Lender Welcome Letter | • Borrower Monthly Statement with Payment Coupon |
| • Lender Monthly Statement of all Account | • Subordination Agreements |
| • Same Day Payment Posting | • Electronic deposit of Funds (ACH) into Lender's account (Coming Soon) |
| • Disbursement of Funds_(after clearing) | • Disbursements and Draws |
| • Assignments | • Releases and Reconveyances |
| • Optional Escrow/Impounds Service for Insurance and Taxes | • IRS 1098 and 1099-INT Reporting |
| | • Paper or EDI Communication |



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BASIC COLLECTION

Basic Collection starts when the Borrower Payment is 10 days past due. The fee is 50% of paid Late Charges.

The **Basic Collection** portion of the program includes:

- First Late Notice sent at 11 days delinquent
- Second Late Notice sent at 21 days delinquent
- Third Late Notice sent at 31 days delinquent
- Borrower inquiry calls handled
- Act as intermediary between Borrower and Broker or Investor/Lender
- Notify Broker or Investor/Lender of Borrower need for refinance or modification

Collection Option: Troubled loans in Standard Loan Servicing can be transferred to High Risk Loan Servicing for high touch servicing, collection and possible modification.

DEFAULT SERVICING



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MAE Capital Mortgage Inc. handles the Default Servicing on all loans serviced. Foreclosure processing is an integral and required part of Standard Loan Servicing. Fees will vary widely by state. The **Default Servicing** portion of the program includes:

- Specific 30 day Notice of Intent letters available
- Foreclosure process started immediately (subject to Dodd-Frank/RESPA) upon written request by Broker or Investor/Lender
- National Foreclosure processing or coordination
- CA Declaration of Compliance
- Legal Services coordination including Bankruptcy Relief and Eviction
- REO management and property sale available