

LOAN SERVICING AGREEMENT

Loan Account: <f2>

<i>Borrower</i>
<f5> <f6> <f7> <f8>
<f10> <f11> <f12>

<i>Lender</i>
<f38>
<f39>

This Loan Servicing Agreement (the "Agreement") is dated <f3> and is between <f80>, a California Corporation doing business as "F.C.I.", or "Private Lender Services", as Servicing Agent, Licensed as a California Real Estate Broker by the State of California (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 "Lender") who is the owner of a promissory note (the "Note"), or an interest therein, secured by a Deed of Trust (the "Deed of Trust") under the above referenced Loan Number. Lender hereby authorizes and instructs "Servicer" and "Servicer" agrees to service the Note and Deed of Trust and in that connection, to do the following:

1.0 **Scope.** Lender retains "Servicer" as Lender's agent to employ commercially reasonable and prudent practices to collect all scheduled payments on the Loan identified above (the "Loan"). "Servicer" shall consult with and follow instructions from Lender on non-routine collection matters. 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 properties which may be owned by lenders as the result of foreclosure or receipt of a deed in lieu of foreclosure.

2.0 **Term and Termination.** This Agreement shall begin when the escrow for the Loan closes or the date set forth above, whichever is later. The appointment of "Servicer" as Servicing Agent hereunder shall continue for the duration of the loan. It shall terminate when any of these events occur: (a) payment in full of the Loan and reconveyance of the deed(s) of trust securing the Loan; (b) 30 days' written notice by "Servicer" to Lender; (c) 30 days' written notice by Lender to "Servicer"; or (d) recordation of a trustee's deed following a foreclosure of the Loan. Prior to the effectiveness of any termination, "Servicer" shall deliver to Lender all of Lender's funds, an appropriate accounting and all necessary documentation.

3.0 **Specific Loan Servicing Functions.** "Servicer" shall: (a) issue payment coupons or monthly statements to the borrower directing Loan repayment to "Servicer"; (b) issue payoff demands, and beneficiary statements; (c) demand, receive and collect all Loan payments, deposit them by the next business day into "Servicer's" trust account and pay them to Lender within 25 days of receipt; (d) issue annual income tax statements to the borrower and Lender; (e) answer borrower inquiries, demands and requests; (f) execute and deliver on Lender's behalf and in Lenders 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 preparing and issuing Request for Reconveyance, recording a Full or Partial Reconveyance, Payoff Demands and Beneficiary Statements; (g) if this is checked, monitor the continued effectiveness and claims on any property insurance listed in the Loan escrow instructions; (h) if this is checked, request and receive notices of default on senior liens; (i) if this is checked, receive notices of property tax delinquencies; (j) with the consent of Lender or the Majority, as the case may be, "Servicer" shall process foreclosures when directed to do so, and will have the authority to act on behalf of the 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. "Servicer" reserves the right of refuse to service any loan.

4.0 **Protective Advances.** Lender shall make such advances as approved by the Majority or, if Lender is the only owner of the Loan, such advances that are necessary and prudent to protect and to collect Lender's interest in the Loan. If the Loan is a Multi-Lender Loan, and Lender fails to make advances approved by the Majority, other owners of the Loan are authorized to advance the amount Lender failed to advance and to receive payment in full with interest at 10% per annum before any further payments to Lender and, if this box is checked the non-defaulting Loan owners shall also have the option, exercisable within 30 days after Lender's default, to purchase Lender's interest in the Loan at N/A% of what is owed to Lender, payable within 15 days after the election to purchase is made.

5.0 **Loan Documents.** Lender shall retain custody of the original note and deed of trust for the Loan (or assignment thereof), unless the Loan is a Multi-Lender Loan, in which case, the Loan owner with the largest percentage ownership shall hold these documents unless the Majority otherwise direct. If "Servicer" is to maintain custody of the original note and deed of trust for the Loan (or assignment thereof), the deed of trust or assignment shall be maintained in accordance with Business and Professions Code Section 10233.2.

6.0 **Compensation.** For its monthly services, and/or other management fees earned, "Servicer" shall deduct: an annual fee equal to <f232> of the regularly scheduled principal Loan balance or \$15.00 per month; all fees for beneficiary statements and demand; returned check charges, if applicable; 100% of late charges; 50% of all prepayment penalties paid; and if this box is checked, see the attached schedule for charges. "Servicer's" compensation is subject to change upon 30 days' written notice to Lender; Lender may avoid changes by terminating this Agreement in writing within the 30 day period.

7.0 **No Additional Obligations of "Servicer".** Lender acknowledges that "Servicer" has no obligation to make any payment (other than the forwarding of a borrower's payment) to or on behalf of Lender, to senior liens or the otherwise protect or enforce the Lender's security or

rights hereunder. In the event any payment collected for the benefit of Lender is returned NSF or uncollectable in "Servicer's" Trust Account, Lender 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 Lenders Trust check from "Servicer" or reverse any ACH (Electronic Funds Transfer), whenever the representing funds are returned NSF or uncollectable 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 unless notified in writing by the Lender of the adjustment. Changes shall become effective no sooner than two weeks after this notification is received by "Servicer".

8.0 Lender Representations. Lender shall indemnify, save and hold harmless "Servicer" as to this loan from and against any and all costs, losses, liabilities, damages, lawsuits, deficiencies, claims and expenses, including without limitation, interest, penalties, attorneys' fees for lawsuits brought against "Servicer", and all amounts paid in investigations, defense or settlement of any of the foregoing (collectively referred to herein as "Damages"), incurred in connection with or arising out of or resulting from or incident to claims made before or after the transfer of the servicing to "Servicer" of Lender's individual loan relating to the origination and/or servicing of the loan by the Lender prior to the transfer of such servicing of that individual loan.

9.0 Arbitration. All disputes between the parties and/or the borrower, and their respective officers, directors, agents, employees and assignees, arising out of this Agreement or relating to the Loan, including, the arranging and servicing of the Loan and any services in connection with Property acquired, shall be determined by binding arbitration under the applicable rules of the American Arbitration Association or Judicial Arbitration and Mediation Services, Inc. ("JAMS"), at the election of the party initiating arbitration. Judgment on the arbitrators' award may be entered in any court having jurisdiction. Lender acknowledges that by agreeing to arbitration, Lender is waiving Lender's right to have the dispute litigated in a court or jury trial, with rights of discovery, application of the rules of evidence and appeal.

NOTICE: IF YOU INITIAL 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 A NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP YOUR RIGHT TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. YOU ARE ALSO GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. NOTWITHSTANDING YOUR ELECTION TO ARBITRATE, YOU HAVE THE RIGHT TO CONTACT APPROPRIATE REGULATORY AGENCIES TO REGISTER A COMPLAINT ABOUT THE COMPANY OR THIS TRANSACTION.

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.

LENDER: INITIAL ONLY IF YOU AGREE TO ARBITRATION:

Initial

initial

This "Loan Servicing Agreement" contains all of the agreements and understandings of Lender and the servicing "Servicer" herein, which fully and completely expresses all duties of "Servicer" and agreements of the parties. No waiver, amendment or discharge of this Agreement shall be valid unless it is in writing and signed by the party to be obligated.

LENDER:

Address: «f40»
 «f41»
Percentage Ownership: «f43»
Send Payments to: «f235»
 «f513»
 «f514»
 «f515»
Account Number: «f37»

Lender's Signature:

«f38» - Lender/Date

«f39» - Lender/Date

SERVICER: «f80»

BY:

Manager

Date