



LOAN SERVICING AGREEMENT & LIMITED POWER OF ATTORNEY

Loan No.:

Borrower

Lender

This Loan Servicing Agreement (the “Agreement”) is dated _____, 200__ and is between **Del Toro Loan Servicing**, (“Servicing Agent”) and the lender or lenders whose signatures appear below and in counterparts to this Agreement (together, the “Lender”). If the Loan is owned by multiple Lenders, the “Majority” in this Agreement are the Lenders who own more than 50% of the record beneficial interest in the Note evidencing the Loan (more than 50% of the undivided interests in the Note), exclusive of any interest of a licensed real estate broker that is the issuer or servicer of the Loan, or any affiliate of that licensed real estate broker.

The parties agree as follows:

1.0 Scope. Lender retains Servicing Agent as Lender’s agent to employ commercially reasonable and prudent practices to collect all scheduled payments on the Loan identified above (the “Loan”), including the protection of the security for the Loan. Servicing Agent 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”), Servicing Agent shall consult with all Lenders but shall only follow instructions from the Majority. 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. 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 Servicing Agent to Lender and, unless Lender is in breach of this Agreement, the notice shall be accompanied by a written offer from another licensed and qualified real estate broker, or from another qualified loan servicer exempt from licensure as a real estate broker, to service the Loan for Lender under the terms of this Agreement; (c) 30 days’ written notice by Lender to Servicing Agent, in which case Lender shall immediately pay Servicing Agent the present value, assuming a rate of return of **100.0%**, of the sum of Servicing Agent’s servicing fee for the remaining term of the loan; or (d) unless paragraph 7.0 is checked, recordation of a trustee’s deed following a foreclosure of the Loan. Prior to the effectiveness of any termination, Servicing Agent shall deliver to Lender all of Lender’s funds, an appropriate accounting and all necessary documentation. At termination, Lender shall immediately reimburse Servicing Agent for any outstanding advances made pursuant to paragraph 4.0.

3.0 Specific Loan Servicing Functions. Servicing Agent shall: (a) issue payment coupons or monthly statements to the borrower directing Loan repayment to Servicing Agent; (b) issue payoff demands, beneficiary statements and mortgage ratings; (c) demand, receive and collect all Loan payments, deposit them by the next business day into Servicing Agent’s trust account and pay them to Lender within 30 days of receipt (within 25 days if the Loan is a Multi-Lender Loan); (d) issue annual income tax statements to the borrower and Lender; (e) answer borrower inquiries, demands and requests; (f) grant appropriate payment deferrals, but not of the maturity of the Loan unless approved by Lender or the Majority in the case of a Multi-Lender Loan; (g) monitor the continued effectiveness and claims on any property insurance as listed in the Loan escrow instructions (if so retained); (h) request and receive notices of default on senior liens; (i) receive notices of property tax delinquencies; and (if so retained), (j) with the consent of Lender or the Majority, as the case may be, submit reconveyances, partial or otherwise, substitute trustees pursuant to Civil Code Section 2934a, initiate and direct judicial or non-judicial foreclosure of the Loan, as Lender or the Majority deem appropriate, and with such consent, communicate to the trustee or sheriff the amount of any credit bid. Servicing Agent shall promptly communicate to Lender any material information about collection of the Loan and the source of non-borrower Loan payments. Servicing Agent 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. Servicing Agent may produce a copy of this Agreement as evidence of its authority.

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, (or note rate, whichever is greater) 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 **100.0%** of what is owed to Lender, payable within 15 days after the election

to purchase is made. Servicing Agent, in its absolute discretion, may advance its own funds to protect the security of Lender's Loan, including advances to cure senior liens, property insurance, foreclosure expenses, repair, advertising, litigation expenses and similar items, but not Loan payments. Servicing Agent shall be reimbursed such advances, with interest at 10% per annum, (or note rate, whichever is greater) from the first received Loan payments, or within 10 days after a written request to Lender. To secure Servicing Agent's advances, Lender hereby irrevocably assigns to Servicing Agent, to the extent of advances owed to Servicing Agent, the Loan payments received after an advance is made.

5.0 Loan Documents. Servicing Agent shall retain custody as agent for Lender 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 can request possession (Disposition will be decided by majority vote). If Servicing Agent retains custody of the original note and deed of trust for the Loan (or assignment thereof), the deed of trust or assignment shall be recorded in accordance with Business and Professions Code Section 10233.2.

6.0 Compensation. For its services, Servicing Agent shall be paid: an annual servicing fee equal to ____% of the regularly scheduled principal Loan balance plus \$____.00, or \$____.00, whichever is greater; all fees for beneficiary statements and demands; returned check charges, if applicable; ____% of late charges; ____0% of all prepayment penalties paid. Additional services outside the "normal scope of business" will be billed to Lenders on a "per job" basis, a list of these types of services and their respective fees if this box is checked are attached and will receive the approval of the Majority prior to beginning work. Fees and services can also be reviewed by accessing Company's website: www.DelToroLoanServicing.com and following the associated link. Fees are subject to change upon 30 days written notice. Lender (or Majority if the Loan is a Multi-Lender Loan) may avoid changes in contract by terminating this Agreement in writing within the 30 day period

7.0 Real Estate Owned. If this box is checked, Servicing Agent is also Lender's agent to liquidate any real estate acquired by Lender in foreclosure of the Loan (the "Property"). Servicing Agent's pre-foreclosure servicing fee shall continue as if the Loan was unpaid. If Lender is the only Loan owner, Lender shall take title to the Property. If this Loan is a Multi-Lender Loan (unless the Majority otherwise direct the Servicing Agent), Servicing Agent shall take title as custodial trustee for the Lender (the deed shall reflect on its face the lender name(s) and the Servicing Agent's role as custodial trustee). Servicing Agent's custodial trustee authority shall be limited as set forth in Civil Code Section 2941.9 to: (a) arranging appropriate property insurance coverages; (b) managing the Property, including arranging maintenance, repair and security, and tenant relations including negotiating rental or lease agreements; (c) arranging for the valuation and resale of the Property, including hiring a Realtor®, Realist, Real Estate Broker or Broker, at customary commission rates, to list, show and sell the Property; and (d) accepting reasonable offers on the Property on behalf of Lender at the price and terms approved by Lender (or the Majority on a Multi-Lender Loan); and, (e) subject to the approval of the title insurer and the lender (or the Majority on a Multi-Lender Loan), executing all necessary and appropriate documentation to transfer title to a buyer. Advances by Lender or Servicing Agent are subject to the terms of paragraph 4.0.

8.0 Disclaimers. Servicing Agent does not make any claims as to the ability of your Borrower to repay your loan. Servicing Agent also does not endorse or validate any of the information provided to you in conjunction with this loan, including but not limited to the value of the Subject Property unless Company is specifically contracted to provide its opinion or provide said service. Servicing Agent is relying on Lender to perform due diligence in accordance with their own specific risk levels and objectives and to also be knowledgeable of all costs, responsibilities, liabilities and duties associated with being a Lender. Servicing Agent suggests legal counsel as well as financial guidance when purchasing/investing in Notes and Trust Deeds and/or foreclosing on any of these instruments.

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

initial

initial

Servicing Agent: Del Toro Loan Servicing

BY: _____
Drew Louis, Authorized Representative

Date

LENDER:

Lender's Vesting	
Lender's Address	
Lender's Percentage Ownership of Loan	
Send Payments to	
Account Number	

Note:
The attached Limited Power of Attorney allows Servicing Agent to perform certain duties on loans serviced on behalf of you as Lender, per your instructions, where time or ability on your part may prohibit you from doing so. Servicing Agent will not use this document to effect any material changes to your ownership without written instructions from you or your authorized agent.

These duties may include issuing payoff demands, submitting or recording reconveyances, substitutions or subordinations.

If this is a "multi-lender transaction" and you wish to decline the LPOA, please contact our office immediately. These regulated transactions require us to perform specific duties not allowed of individual minority Lenders and could seriously delay events such as payoffs, placement of insurance upon Borrower's failure or the commencement of foreclosure.

Del Toro Loan Servicing, Inc. is licensed and Bonded and can provide you with information you may need regarding your coverage.

Lender

Date

Lender

Date

**LIMITED POWER OF ATTORNEY
Loan Servicing, Subordinations & Reconveyances**

I, _____ residing at _____, appoint Del Toro Loan Servicing, Inc. (Company) my true and lawful attorney-in-fact for me, in my name and on my behalf: To exercise or perform any act, power, duty, right or obligation whatsoever that I now have, or may subsequently acquire the legal right, power or capacity to exercise or perform, in connection with, arising from or relating to the ownership of a Deed of Trust serviced by Company.

Grant to my attorney-in-fact full power and authority to do, take, and perform each and every act or thing whatsoever necessary or proper to be done, in the exercise of any of the rights and powers granted in this instrument (including but not limited to: Subordinations and reconveyances), as fully to all intents and purposes as I might or could do if personally present, with full power of substitution or revocation, and by this instrument I ratify and confirm whatever act or thing that my attorney-in-fact shall lawfully do or cause to be done by virtue of this limited power of attorney and the rights and powers granted by this instrument.

- 1) The rights, powers and authority of my attorney-in-fact as granted in this limited power of attorney shall commence and be in full force on the date of this instrument and such rights, powers and authority shall remain in full force and effect thereafter until completion of said employment.
- 2) This instrument is to be construed and interpreted as a limited power of attorney. This limited power of attorney shall not be affected by disability of the principal, except as provided by statute.

SERVICES AND RATES

NOTE: FEES THAT YOU ARE CHARGED FOR SERVICING MAY BE LESS DUE TO BULK AGREEMENTS IN PLACE

Basic Loan Servicing:

.25% + \$15.00 per Lender / Month

- Lender / Borrower Welcome Letter
- Lender / Borrower Monthly Statement
- Electronic Collection (ACH) from Borrower
- Electronic deposit of Funds (ACH) to Lender's account
- End of year 1098 & 1099
- 24/7 on line secure account access
- Delivery of 30 day Notice
- Limited customer Service for borrower and lender
- Demands and Reconveyances*

* Rush fees may apply ** Bulk discounts available ** Setup fees may apply

Premier Loan Servicing:

.25% - .5% + \$25.00 per Lender / Month*

This level of Servicing includes all of the Basic Loan Servicing plus:

- Reviews of loan files to ensure that all required documents are enclosed
- Providing after hours emergency contact
- Reduced hourly fees
- Tracking: Senior Lien / Insurance / Property Tax*
- Maintaining and Safeguarding the loan files
- Annual account analysis to ensure appropriate escrow payments are collected
- Impounding and distribution of Borrower's payables, i.e. Construction costs, Sr. liens
- Producing reports per Broker or Lender grouping loans by desired criteria
- Develop and implement appropriate Loss Mitigation scenarios including:
 - Loan assumptions*
 - Forbearance agreements*
 - Deferred payment or workout programs*

* Additional costs associated with setup and service ** Bulk discounts available

Interest Rate Spreads can vary for loans in which Del Toro provides either the Borrower or the Lender

Document Services

- | | |
|---|--|
| • Loan Documents | \$495.00 - \$1,895.00 + Admin fees* |
| • Extension / Modification Agreement | \$495.00 + % TBD |
| • Assignment of Deed of Trust | \$100 .00(\$295.00 + costs for full service) |
| • Note or Deed | \$50.00 |
| • Subordination Agreements | \$75.00 + Hard costs |
| • VOM | \$50.00 |
| • Replacement Lender / Borrower Packets | \$35.00 |
| • Rush (Demand, VOM, etc.) | \$80.00 addn'l |

*These fees are for document preparation and regular delivery only - Recording and other services are additional

*Multi-property loans: add \$200 per - Construction loans are priced on a case by case basis.

Professional Services

- | | |
|---------------------------------------|--------------------------|
| • Compliance Review | \$250.00 |
| • Overnight Delivery | \$30.00 + Hard Costs |
| • Wire | \$30.00 |
| • Administrative Hourly | \$80.00 |
| • Professional Hourly | \$195.00 |
| • Processing of a foreclosure vote | \$250.00 |
| • Preparation of file for foreclosure | \$1,500.00 |
| • Escrow | \$375.00 + \$25 / Payoff |

- Legal or other outside professional costs authorized by you and incurred on your behalf will be billed at cost.

Broker Services

- Loans ran under Del Toro's license will include coverage under our E&O policy. The fee for this begins at .5% with a minimum of \$600.