



POLARIS MANAGEMENT

Simplified Mortgage Servicing

Loan Servicing Agreement

This LOAN SERVICING AGREEMENT ("Agreement") is made effective as of _____ ("Effective Date") by and between POLARIS MANAGEMENT LLC ("Servicer") and _____ ("Lender").

- Purpose and Scope of Agreement.** Lender retains Polaris Management LLC to employ commercially reasonable and prudent practices to collect all scheduled payments on Loans identified by the Lender. Polaris Management LLC shall consult with and follow the instructions from Lender on non-routine collection matters. If Loan is owned by multiple Lenders, Polaris shall consult with all Lenders but shall only follow instructions from the majority.
- Term and Termination.** This Agreement shall commence when all necessary documents to service Loan are received by Servicer 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 Servicer to Lender or (c) the recordation of a Trustee's Deed following a foreclosure of Loan. Prior to the effectiveness of any termination, Servicer shall deliver to Lender all of Lender's funds, and appropriate accounting with all necessary documentation.
- Specific Loan Servicing Functions.** Servicer shall: (a) email updated payment information to the Borrower on a monthly basis; (b) issue payoff demand and beneficiary statement; (c) demand, receive and collect all Loan payments, deposit them by next business day into Servicer's clearing account and pay all monies due to Lender and/or Underlying Lien(s) within 10 business days of receipt, providing time for payments to clear. If taxes or insurance are included in payment, those funds will be deposited into an escrow account (either held by Polaris Management LLC or any underlying lienholders) until payment is due to taxing authority or insurance company; (d) issue annual income tax statement 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, with approval by Lender or the majority in the case of a Multi-Lender Loan; (g) monitor the continued effectiveness and claims on any property insurance listed in the Loan escrow instructions; (h) promptly communicate to Lender any material information about collection of the Loan

and the source of non-Borrower Loan payments. Servicer may produce a copy of this agreement as evidence of its authority.

4. Compensation. For its services, Servicer shall be paid a \$150.00 set-up fee and a servicing fee of \$45.00 per account per month. Additional Servicer Fees include late fees, NSF fees, wiring fees, reconveyance fees, advancing fees, payoff demand fees, and other fees earned by Servicer. Should file be withdrawn from servicing by Lender, Lender shall pay a \$50.00 cancellation fee (This may be in addition to the minimum 3-month servicing fee guarantee).
5. Online Access to Underlying Lien Accounts. When applicable, Lender agrees to provide Servicer any and all usernames/passwords/answers to secret questions necessary to access the online accounts for each underlying lien. Servicer agrees to keep such information confidential and secure as best as is reasonable and inform Lender of any breach of security that may compromise the account information within a reasonable amount of time from discovery of such a breach.
6. Advance Payment to Underlying Lien Accounts. When applicable, Lender agrees to make one full statement payment to each underlying lien at the start of this Agreement. Doing so will better ensure on time delivery of payments to underlying lien(s), and therefore give the Lender a better experience when using Polaris Management LLC.
7. 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 saleability of real estate can change at any time and therefore, that equity in the security real estate can increase or decrease. Lender hereby releases Servicer from any liability whatsoever in connection with the determination of the value of the security real estate.
8. Lender further understands and agrees that if this Loan has been previously serviced by another servicing agent or by the Lender, Servicer shall rely on all information transmitted to Servicer. Servicer does not have a duty to Lender to research any information given to Servicer as to the correctness of such information.
9. Lender hereby indemnifies Servicer from any and all liability, including attorney's fees and costs incurred in defending a legal action naming Servicer as defendant, which might arise during the course of or subsequent to Servicer's execution of its duties hereunder, including but not limited to being named as defendant based on former servicer's actions unless said liability arises due to Company's own negligence or mistake as determined by a court of competent jurisdiction. Additionally, Lender holds Servicer harmless against any losses caused by fire or other hazard on non-insured properties if said property was uninsured prior to receipt of file from former servicer (on takeover files) or escrow holder (on new

closings) and within 60 days of receipt of complete file information to Servicer. Additionally, Lender holds Servicer harmless against any losses caused by Notices of Defaults and/or Notices of Trustee Sale recorded against the property if said Notice was recorded prior to receipt of complete file information from former servicer (on takeover files) or escrow holder (on new closings) and within 60 days of receipt of complete file information to Servicer.

10. Lender agrees that should a tax service not be ordered through originating loan broker or requested through Servicer in writing, Lender holds Servicer harmless from any losses incurred by Lender should tax default occur.
11. Lender agrees that Servicer is not responsible for monitoring underlying lien(s) unless specific delinquency notice from underlying lien(s) has been received by Servicer.
12. Arbitration. All disputes between the parties of this Agreement and/or the Borrower, and their respective officers, directors, agents, employees and assignees, arising out of the 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. Judgement on the arbitrators' award may be entered in any court having jurisdiction. Lender acknowledges that by agreeing to arbitration, Lender is waiving Lender's rights to have the dispute litigated in a court of jury trial, with rights of discovery, application of the rules of evidence and appeal.
13. This agreement shall bind and insure to the benefit of all the heirs, executors, administrators, successors and assigns of the parties.
14. Confidentiality. All parties of this Agreement acknowledge and agree that each party and its employees, officer, directors and agents may, directly or indirectly, receive certain confidential and proprietary information relating to the other party's business and operations ("Confidential Information"). Each party acknowledges that the other party considers all such information valuable, confidential and proprietary. Therefore, each party expressly agrees that, except as otherwise required by applicable law, court or governmental order: (I) the party, and its employees, officers, directors and agents, will not, without the other party's express, written permission, use or disclose any Confidential Information of the other party, and any use or disclosure of Confidential Information shall be limited to the specific purposes for which the use or disclosure was authorized; (II) the party will take all steps reasonably necessary to protect the Confidential Information of the other party, including, at a minimum, any such steps that that party would take to protect its own Confidential Information; and (III) the party agrees to return or certify the destruction of the Confidential Information of the other party, and all notes, copies, and other associated materials containing such Confidential Information, to the other party upon written request by such other party.

15. Right of Immediate Termination. Lender understands that when applicable, Servicer reserves the right to immediately terminate an existing file if it is or becomes in a state of negative equity. Servicer holds the right to adjust Lender disbursements to correct or avoid negative equity situations, or other lawful reasons as deemed necessary; to include additional/extra principal payments from the Borrower. In addition to the required documents referenced in Section Two (2), servicing of Loans will not commence if any underlying lien(s) are not current; to include a status of forbearance.
16. Miscellaneous. No delay on the part of the parties hereto in exercising any power or right hereunder shall operate as a waiver thereof. This Agreement may be amended only by an instrument in writing executed by both parties. This Agreement and the documents referred to herein, or reasonably contemplated hereby, constitute the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior written or oral agreements and understandings relating to the subject matter hereof. This Agreement may not be assigned by the Lender without the prior written consent of Polaris Management LLC. This Agreement shall be binding on the parties hereto and their successors and permitted assigns. This Agreement shall not be construed against the party responsible for, or primarily responsible for, preparing this Agreement.

Signed _____ (Date) by:

Servicer: Polaris Management, LLC by Jennifer Vann, Business Manager.

Lender Signature: _____

Property Address: _____