



LOAN SERVICE AGREEMENT

I (Print Name) _____ hereby acknowledge the following in regard to the servicing of my notes with August REI, LLC.

1. **SERVICING:** Servicing of the Note will be performed by **August Real Estate Investments, LLC** (herein after referred to as **August REI, LLC** or **Servicer**), a Residential Mortgage Loan Servicer NMLS #1446400, per the servicing agreement between August REI Holdings, LLC and August REI, LLC. This loan servicing agreement is made between **August REI, LLC** and the **Lender/Investor/Seller**. The **Lender/Investor/Seller** (herein referred to as **Lender**). The **Lender** hereby authorizes and instructs **August REI, LLC** and **August REI, LLC** agrees to service the *Loan Service Agreement* and in that connection, to do the following in regards to the **Real Estate Lien Note** (herein after referred to as **Note**):
 - A. To receive any and all payments due to Lender on the Loan Servicing Acknowledgement, which includes but is not limited to all monthly payments, all late payments and all payoffs in full or in part. Lender retains August REI, LLC to employ commercially reasonable and prudent practices to collect all scheduled payments on Loans identified by the Lender and further authorizes Servicer to direct any payment to be made payable to August REI, LLC's Trust Account.
 - B. To endorse to August REI, LLC's Trust Account any checks or money orders payable to Lender and to immediately deposit same in August REI, LLC's Trust Account which is to be maintained in accordance with such laws and rules applicable thereto and as to which August REI, LLC will not commingle its assets.
 - C. To transmit Lenders portion of such payments of principal and interest as required by laws, rules and regulations which are applicable. There is a hold on all checks to allow for clearing with the bank. See "Payment Turn Time" page attached. Good funds are delivered to the Lender without a hold at the address shown herein. August REI, LLC will not use such payment for any other transaction other than the transaction for which the funds are received.
 - D. If the source of payment is not the maker of the Loan Service Agreement, to inform the Lender.
 - E. To cause August REI, LLC's Trust Account utilized for this transaction to be inspected as required by such laws, rules and regulations as are applicable thereto;
 - F. To receive Notices of Default of prior encumbrances and to promptly notify Lender of any default upon the Note and any prior encumbrances.
 - G. To execute and deliver on Lender's behalf and in Lender's name any documents necessary of convenient for the exercise of any rights or duties which Lender may have under the Loan Service Agreement. Including and not limited to Request for Payoff Demands, Beneficiary Statements, Insurance Declarations and other instructions to the Trustee of the Loan Service Agreement.

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- H. To receive Notices of Default of prior encumbrances and to promptly notify Lender of any default up the Note and any prior encumbrances.
- I. To grant such extensions as August REI, LLC deems reasonably appropriate.
- J. Lender may terminate August REI, LLC's authority hereunder at any time upon **10 days** written notice and upon repayment and/or payment of the following:
- Any outstanding payments made by August REI, LLC on Lender's behalf.
 - Any accrued expenses incurred by August REI, LLC in connection with servicing the Note.
1. Further, this Agreement shall terminate when any of these events occur for a specific loan address.
- Payment in full of the Loan and reconveyance of the deed(s) of Trust securing the Loan.
 - Recordation of a trustee's deed following a foreclosure of the Loan.
- K. The following provisions (1-3) apply ONLY to loans in which Lender holds an undivided fractional interest in the Note.
1. Lender acknowledges that it holds or will hold an undivided interest in the Note 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 Loan Service Agreement between all holders of interests in the Note as well as between Lender and August REI LLC.
 2. A default upon any interest in the Loan Service Agreement shall constitute a default upon all interests. A simple 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 August REI, LLC to so act in their behalf.
 3. August REI, LLC 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.

L. Attorney's Fees. If either party commences any action or proceeding to enforce this Loan Service Agreement or any right arising under this Agreement, the prevailing party shall be entitled to recover from the other party the reasonable and necessary actual attorneys' fees, costs and expenses (and all related fees, costs and expenses) incurred by it in connection with such action or proceeding and in connection with the enforcement of any judgement thereby obtained.

M. Indemnification: Lender shall defend, indemnify and hold harmless August REI, LLC and its officers, members, directors, employees and agents (collectively August REI, LLC) from any and all claims, liabilities, demands, suits, debts, accounts, obligations, actions and causes of action of any nature whatsoever by any third party including reasonable attorneys' fees, arising out of or related to any notes subject to this *Loan service agreement* based on: (i) any information about such note supplied by lender to August REI, LLC; (ii) any material facts that lender knows but fails to disclose to August REI, LLC relating to the note; (iii) actions taken by August REI, LLC pursuant to instructions or directions provided by Lender to August REI, LLC; (iv) lender's failure to observe or perform any of lenders covenants, agreements, warranties or representations contained in this *Loan service agreement*; (v) any losses caused by notices of default and/or notices of trustee sale

recorded against the property if said notice was recorded prior to the 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 August REI, LLC and (vi) alleged acts by August REI, LLC related to the note, including but not limited to , negligence, wrongful foreclosure, filing false lien, debt collection practices, claims under truth in lending act and/or real estate settlement practices act. Lenders indemnity obligation

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does not extend to any conduct by August REI, LLC that is found by a trier of fact to be grossly negligent, willful, or fraudulent.

Lender's indemnity obligations to August REI, LLC shall survive the expiration or termination of this Loan service agreement.

2. DUTIES TO/OF BORROWER:

- Will receive a Welcome Packet which includes coupons to be sent with monthly payments
- Has their choice of payment type available, unless a particular payment type has been agreed upon between lender and borrower in writing, a copy of which is attached to each Loan Setup Sheet.
- May pay by personal check, Pay Lease or ACH until such time as an NSF return is received after which time only certified funds (ie., bank cashier's check or money order) will be accepted.
- Monthly payments will be made payable to "August REI, LLC" at PO Box 496644, Garland, TX 75049 accordingly, unless another payment type has been arranged with August REI, LLC.
- Will receive a monthly statement on or around the 16th of each month via Email or mail.
- Will communicate directly with August REI, LLC regarding payments, servicing of the Note and any other pertinent information regarding the loan.
- Will receive an annual escrow analysis and notice of adjustment of monthly payment, if taxes and/or insurance amount changes
- Will receive a yearly 1098 Interest and Tax Form
- Has discussed with Lender and agrees that an appropriate homeowner's insurance policy has been put in place.

DUTIES TO/OF THE LENDER:

- Will provide full contact information and filled out W-9 Form to August REI, LLC for tax reporting purposes.
- Will complete and submit to August REI, LLC the necessary forms and required documents per the setup checklist for setup of the account and each property.
- Will receive monthly proceeds via Direct Deposit. If you choose not to do Direct Deposit, you will be charged a **\$3.00 Check Fee** for each check remitted. Standard date for checks to be cut is Tuesday and Friday .
- Will receive a monthly statement of account on or around the 30th of each month via Email upon request.
- Will have online access to the Lender Portal 24/7. The portal is updated at the end of the business days.
- Will communicate directly with August REI, LLC regarding payments, servicing of the Note and any other pertinent information regarding the loan.
- Will forward to August REI, LLC immediately upon receipt, any and all communication regarding the underlying mortgage, including but not limited to escrow analysis, taxes and homeowner's insurance.
- Has discussed with Borrower and agrees that an appropriate homeowner's insurance policy has been put in place.

3. Services and Fees:

Basic Servicing Fees:

Fees are described and charged as follows and are subject to change only upon 30 days' prior written notice to Lender and Borrower.

- **Setup Fee** - \$50.00. Due in Full upon submittal of Loan Servicing Setup Form to August REI, LLC. Setup Fee will be paid by (**check one**):
 - Lender (collected with 1st month's proceeds) Borrower (collected at closing)
- **Monthly Service Fee** - \$35.00. Will be paid by (**check one**):
 - Lender Borrower Split 50/50 between Lender and Borrower
- **Monthly Proceeds Check Fee** - \$3.00. Fee will be charged to Lender. **However, if Lender chooses to have their check Direct Deposited, August REI, LLC will waive fee.** (See attached **Lender/Investor Authorization Form for Automatic Direct Deposit.**)

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Extra Fees:

- **Research/Project Fee** - \$50.00 per hour (as applicable). Sometimes, August REI, LLC will have to recreate and research the historical information of your loan. This is in due in part, but not limited to, receiving incomplete documents needed to satisfactorily service your loan. Also, due in part, but not limited to, problems with the loan that arose due to inappropriate servicing of Note prior to August REI, LLC receiving the Note. This Research/Project Fee will be assessed to you for time spent on the servicing of your Note above and beyond the normal Monthly Service Fee Duties to Borrower and Lender.
- **Rush Fee** - \$40.00 charged to Lender when package is submitted with less than 15 days to borrower's first payment due.
- **Incomplete Lender Servicing Packet Fee** - \$18 per hour (as applicable). It is the Lender's responsibility to give August REI, LLC all necessary paperwork and history regarding the onboarding of new Notes with August. When we receive incomplete servicing packets from lenders, it takes our office more time and resources to get them onboarded. Due to this added burden, we will charge the Lender the extra time spent onboarding their loans with August REI, LLC. The Lender, of course, can circumvent this fee by making sure that each item we have asked for is attached to each Loan file to be onboarded with us.
- **Borrower's Late Charges** - Per Note, **Split 50/50** between August REI, LLC and Lender.
- **NSF Return Fee** - \$35.00. Charged to Borrower.
- **Deboarding Fee** - \$50.00. Charged to Lender.
- **Loan Payoff Request** - \$50.00. Charged to Borrower
- **Additional Services:**

Additional services are available as requested and agreed upon between Lender and Servicer or Lender and Borrower at additional fees, including but not limited to:

- Homeowner Insurance – Correction and Implementation
- Deferred payment or workout programs

I (Print First Name) _____ agree with the terms and conditions set forth in this Loan Service Agreement. I have been made aware of any fees and charges as described to me above and agree to pay stated fees and charges to August REI, LLC in exchange for their servicing of any and all of the loans I have with August REI, LLC. I give full authority to August REI, LLC, to contact my borrower's in any and all loan related issues, payments, etc. in the servicing of each of my loans with August REI, LLC. Again, if you as the Lender, provide the wrong information to August REI, LLC in the servicing of this loan, we are not held personally responsible. It is the Lender's responsibility to give August REI, LLC any and all correct information in regards to these loans.

Lender Signature

Printed Name & Title

Company

Date

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