

# **SAXE MORTGAGE COMPANY**

## **BROKER AGREEMENT**

AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between YEVA, Inc., DBA Saxe Mortgage Company, a California corporation, having a principal office at 950 John Daly Blvd., Suite 200, Daly City, CA 94015, hereinafter referred to as “Saxe” and \_\_\_\_\_, having a principal office at \_\_\_\_\_, hereinafter referred to as “Broker”.

### **RECITALS**

WHEREAS, YEVA Inc., DBA Saxe Mortgage Company, a California corporation is a private money lender which funds mortgage loans.

WHEREAS, Broker is a duly licensed mortgage broker who desires to originate, process and package mortgage loan applications for funding by Saxe Mortgage Company.

Now, therefore in consideration of the mutual covenants and agreements contained herein and for good and valuable consideration received by and between the parties hereto, the parties agree to enter into this Broker Agreement on the following terms:

Broker hereby represents, warrants, covenants and agrees:

- a. That Broker is and shall be, in originating any loans for funding by Saxe, licensed under and in strict and full compliance with Laws of the state in which the Broker transacts business.
- b. That Broker shall comply strictly with, and shall cause all personnel employed by Broker to comply with all applicable federal, state, and local laws, regulations, rules and ordinances of governmental authorities in connection with all activities of Broker and Saxe, including without limitation, the laws mentioned in the preceding paragraph. The Real Estate Settlement Procedures act 1974, as amended the Fair Credit Reporting Act, as amended, and all other applicable laws and regulations.
- c. That Broker shall provide all documentation, facts, information and other assistance as may be required or otherwise requested by Saxe, relating to the origination, application, processing, funding and closing of any loans originated by Broker.
- d. That Broker shall make prompt, timely, full, accurate and truthful disclosure to Saxe. In each mortgage loan package submitted of all facts, information and documentation which Broker may know, suspect or have actual or constructive notice of, which could or may effect the creditworthiness of the borrower, validity, collectability, security and or enforceability of all loans originated by Broker for funding by Saxe, including all facts, information and documentation relating to any disputes, proceedings, litigation or governmental action threatened, anticipated, or pending respecting the borrowers, the subject real property, or the loan transaction, as well as all facts, information and documentation relating to the borrowers or to the value to condition of the property. Any alteration, deterioration, waste or destruction (complete or partial) or other damage or injury tot he property which would effect its value or condition or otherwise affect or impair any security to be granted to Saxe, or its assignees, or successors. Upon funding of such

loan and any appraisal covering the subject property which determines a property value lower than that previously disclosed to Saxe, or which discloses any other facts or information material to the subject property or to the proposed mortgage loan which has not theretofore been disclosed to Saxe, shall be disclosed by Broker to Saxe immediately upon the Broker's first ascertaining such facts or information, and in any event, not later the Broker should exercise reasonable diligence, first have become aware of such facts or information.

e. That the information provided by Broker to Saxe on the Loan Broker Application Submitted in connection herein, which is incorporated herein for all purposes, and upon which Saxe has relied, is true, accurate, and correct and that:

(i) After diligent inquiry, Broker has no knowledge of any circumstances or conditions with respect to any loan, mortgaged property, mortgagor or mortgagor's credit standing that can be reasonably expected to cause institutional investors to regard any loan to become delinquent, or adversely effect the value or marketability of any loan;

(ii) To the best of the Brokers knowledge and belief, no fraudulent "information" has been provided to Saxe with respect to a loan submitted to Saxe for funding. For purposes hereof, the term "information" shall mean any and all information obtained from the borrower or any reference source that would according to standard practice and procedures in the mortgage lending industry be in the control and knowledge of Broker, as well as any appraisal related information that is a result of or is communicated because of, any relationship transaction between appraiser and Broker. In this regard and without limiting the generality of the foregoing, Broker agrees to exercise a more stringent level of due diligence with respect to the following terms of "information" which are known to be the most common areas of fraudulent loan activity:

(a) Appraisal of the property;

(b) Verifications of Employment;

(c) Verification of Deposit;

(d) Profit and Loss Statements;

(e) Borrowed funds disguised as cash gifts.

f. That the forms and documents that Broker shall submit to Saxe in connection with origination services to be performed hereunder shall be the standard forms and documents commonly used in the industry for the particular type of loan applied for by the borrower.

g. That Broker shall make no misrepresentation or misstatement of any material fact whether by act, statement, concealment or omission, in connection with any loan originated by Broker for funding by Saxe.

h. That to the best of the Broker's knowledge and belief, all documentation submitted by the Broker in connection with loan packages submitted to Saxe are in every respect valid and genuine, being what on their face they purport to be and all information (credit or otherwise) submitted in connection with such loan packages is true and accurate.

i. That Broker shall indemnify and hold harmless Saxe from any and all loss, injury, damage, and/or liability resulting or claimed to have resulted by any person, from

- (i) any breach of Broker covenants, representations or warranties under this Agreement, or
- (ii) otherwise arising from or relating to any acts or omissions, whether willful, negligent or otherwise, of Broker, its employees or agents, or
- (iii) the borrower for whom the Broker is acting as agent in connection with any loan to be originated by Broker hereunder. Such indemnification shall include, but not be limited to the following: all related losses, damages, judgments or legal expenses without limitation the reimbursement to Saxe of any brokerage fees paid by Saxe to Broker with respect to the loan, actual attorney's fees incurred, appraiser's costs, investigator's fees, expert's fees, and such other costs and disbursements as may be incurred, appraiser's costs, investigator's fees, expert's fees, and such other costs and disbursements as may be incurred by Saxe in connection with such matters subject to indemnification by Broker.

l. That Broker is an independent contractor and that Broker shall not represent itself in any manner to be the agent, servant, employee, representative, partner or co-venturer of Saxe. Broker shall have no authority to solicit, bind, or commit Saxe to any contract or transaction, whether for replacement of a loan or for any other purpose, and Broker shall not represent in any manner to anyone that Broker has such authority.

m. That upon the occurrence of any one of the following events, Broker will within ten (10) days of written notice from Saxe, repurchase any loan at the price paid by Saxe or received by Saxe from the secondary purchaser (if funded by Saxe), with appropriate adjustments for payments received by Saxe:

- (i) In the event of breach by Broker of any warranty, representation or covenant contained in this Agreement; or
- (ii) In the event of Saxe receiving a repurchase order with respect to a loan originated by Broker from the secondary market investor to whom Saxe sold the subject loan; or
- (iii) Upon discovery by Saxe that any representation or warranty made by Broker is materially untrue, inaccurate or misleading or when coupled with additional facts, misleads Saxe to purchase or fund a loan, whether or not Broker had actual knowledge of such untruth or inaccuracy.

The parties hereto further covenant and agree as follows:

n. Saxe, in its sole and absolute discretion, may elect to accept or reject any mortgage loans originated and submitted to it by Broker under Agreement.

o. This Agreement shall be in effect for a term commencing on the date of this Agreement and terminating immediately upon notice either by Saxe or Broker, in writing and actually delivered to the other party, stating that the party giving notice elects to terminate this Agreement. This Agreement shall terminate promptly upon giving such notice, without cause and without necessity for the stating of cause. Any such termination shall, however, not affect the coverage of, or effectiveness of this Agreement with respect to Saxe prior to the receipt by Saxe of the aforementioned notice of termination. This Agreement shall remain in full force with respect to every loan originated or funded under this Agreement, notwithstanding any later termination, with respect to the representations, warranties and agreements of the Broker set forth

herein, until the repayment in full or other final disposition of the last loan originated under this Agreement to be repaid in full or otherwise disposed of. That the relationship between Saxe and Broker, as provided under this Agreement, is nonexclusive, that Saxe has heretofore entered into arrangements similar to the arrangement made hereunder with any other brokers, and that Saxe intends to enter into, and shall not be restricted by this Agreement from entering into other arrangements similar to the arrangements set forth in this Agreement with other brokers from time with the sole discretion of Saxe and without notice to the Broker.

q. That the nature of this Agreement is personal to Broker and, accordingly, that Broker shall have no right to, and shall not sell, assign or transfer any of Broker's duties and obligations undertaken hereunder.

r. Any fees that the Broker may charge the borrower have been determined by negotiations between borrower and Broker. The total fees to be received by Broker have been separately itemized and fully disclosed to borrower and lender is reasonably related to the market value of the services rendered by Broker in connection with the loan. In no event shall any compensation be paid to Broker unless a loan is funded.

s. General Provisions:

(i) This Agreement shall be governed by the laws of the State of California.

(ii) Venue shall be stipulated to San Francisco County.

(iii) This Agreement shall be null and void and have no further effect unless countersigned by Saxe including approval and acceptance of the below listed Broker.

(iv) Any notice, request for payment, demands or other communications required or permitted to be given pursuant to any provisions of this Agreement shall be in writing and shall be

(a) delivered personally to the party or to an officer of the party to whom the same is directed,

(b) deposited in U.S. mail, postage prepaid,

(c) sent by registered or certified mail, return receipt requested postage and charges prepaid (airmail if intentional and express mail if available),

(d) sent by international air courier, or

(e) transmitted by telex or telecopy, addressed as follows:

If to Saxe: Saxe Mortgage Company, 950 John Daly Blvd., Suite 200, Daly City, California 94015.

If to Broker \_\_\_\_\_

\_\_\_\_\_ or to such other address as such parties may from time to time specify by written notice given in the manner provided above. Any such notice, requests, demands or communications shall be deemed to be delivered, given and received:

- (i) On the first business day after delivery to the party or to an officer of the party to whom the same is directed, if delivered personally, set by international air courier or transmitted by telex or telecopy or
- (ii) Ten (10) days after the date of mailing, if mailed. All such notices, requests, demands and other communications shall be written in the English language.
- (iii) This Agreement shall supersede, annul and replace any and all prior agreements with respect hereto concluded by and between the parties. Any variations, amendments, modifications or changes in this Agreement shall not be binding upon a party unless in writing duly executed by all parties hereto.
- (iv) No consent or waiver, express or implied, by any party to or of any breach or default by the other in the performance by the other parties of their obligations hereunder shall be deemed or construed to be a consent or waiver to or any other breach or default in the performance by such other party of the same or any other obligations of such party hereunder. Failure on the part of any party to complain of any act or failure to act of the parties or to declare the other parties in default, irrespective of how long the failure continues, shall not constitute a waiver by such party of all or any of its rights hereunder.
- (v) This Agreement shall insure to the benefit of and be binding upon the parties hereto, and except as otherwise limited herein, their respective successors and assigns.
- (vi) This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.
- (vii) This Agreement shall be construed fairly as to the parties and not in favor of or against any party, regardless of which party prepared this Agreement.
- (viii) Every provision of the Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

(ix) No part of this Agreement maybe changed or modified except by a written amendment signed by Broker and Saxe.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

**Broker:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Corporation: \_\_\_\_\_ By Its: \_\_\_\_\_

**YEVA, Inc., DBA Saxe Mortgage Company:**

By: \_\_\_\_\_ By Its: \_\_\_\_\_

Print Name: \_\_\_\_\_