

EXECUTION

BREVARD COUNTY HOUSING FINANCE AUTHORITY

MASTER MORTGAGE ORIGINATION AGREEMENT

**Single Family Housing Revenue Bonds
Various Series**

Dated as of February 1, 2010

This Instrument Prepared By:

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MASTER MORTGAGE ORIGINATION AGREEMENT

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MASTER MORTGAGE ORIGINATION AGREEMENT

THIS MASTER MORTGAGE ORIGINATION AGREEMENT (the "Agreement" or "Origination Agreement"), dated as of the first day of February, 2010, among the Lenders executing this Agreement and the various MOA Series Supplements hereto (this Agreement being initially executed by each of the Lenders listed in Exhibit B hereto, collectively referred to herein as the "Lender") for the origination and sale of Mortgage Loans for this Single Family Mortgage Purchase Program (the "Program"); U.S. BANK N.A., dba U.S. BANK HOME MORTGAGE-MRBP DIVISION, a national banking association (hereinafter referred to as "Master Servicer" or "Servicer"); WELLS FARGO BANK, N.A., a national banking association, with its designated corporate trust office located in Orlando, Florida, as trustee (hereinafter referred to as "Trustee"); and the BREVARD COUNTY HOUSING FINANCE AUTHORITY (hereinafter referred to as the "Issuer"), a public body corporate and politic.

W I T N E S S E T H

WHEREAS, the Florida Housing Finance Authority Law, being Part IV of Chapter 159, Florida Statutes, as amended, provides for the creation of a housing finance authority in each county in the State of Florida and cooperation between such authorities for the purpose of alleviating a shortage of housing available at prices or rentals which persons or families of low, moderate or middle income can afford, and a shortage of capital for investment in such housing; and

WHEREAS, in accordance with the provisions of the Act, the Board of County Commissioners of Brevard County enacted Ordinance No. 79-09, on March 15, 1979, as amended and supplemented, determining that there is a shortage of affordable housing and capital for investment in such housing and duly creating the Brevard County Housing Finance Authority to alleviate such shortages; and

WHEREAS, in accordance with the provisions of the Act, the County Council of Volusia County, Florida, the Board of County Commissioners of St. Johns County, Florida and the Board of County Commissioners of Clay County, Florida, respectively, enacted ordinances determining that there is a shortage of affordable housing and capital for investment in such housing in each of such respective counties and duly created housing finance authorities therein (the "Local Authorities") to alleviate such shortages; and

WHEREAS, pursuant to the Act, the Issuer is authorized to carry out the public purposes described therein by issuing its revenue bonds to acquire home mortgages and by pledging such home mortgages as security for payment of the principal of and interest on such revenue bonds, and by entering into any such contracts and other instruments made in connection therewith; and

WHEREAS, for the purpose of alleviating the shortage of affordable residential housing facilities and capital for investment in such facilities for low, moderate or middle income families or persons within Brevard, Clay, St. Johns, Volusia and Nassau Counties (collectively, the "Counties"), which constitutes a valid public purpose for the issuance of revenue bonds under

the Act, the Issuer has developed a program with respect to (i) the issuance of various series of its Single Family Housing Revenue Bonds (the "Bonds"), and (ii) the use of a portion of the net proceeds of the Bonds (and certain transferred funds with respect to certain refunded debt of the Issuer to purchase from the Master Servicer mortgage-backed securities of the Government National Mortgage Association ("GNMA") evidencing the guarantee by GNMA of timely payment of monthly principal and interest of qualifying FHA, RD or VA Mortgage Loans, made to finance residential facilities in the Counties intended for use as the permanent place of residence by families or persons of low, moderate or middle income or made to finance Qualified Rehabilitation Loans, and to purchase single-pooled mortgage-backed securities ("Fannie Mae Securities") of Fannie Mae evidencing the guarantee by Fannie Mae of timely payment of monthly principal and interest of qualifying Conventional Mortgage Loans, including Mortgage Loans originated under Fannie Mae's Community Home Buyer's Program, made to finance the purchase of homes in the Counties for use as the permanent place of residence by persons or families of low, moderate and middle income (the "Mortgage Loans"), which Mortgage Loans are to be originated pursuant to this Agreement and are to be serviced by the Master Servicer pursuant to a Program Administration and Servicing Agreement (the "Program Administration and Servicing Agreement") dated as of February 1, 2010, by and between the Issuer and the Master Servicer; and

WHEREAS, the Trustee will serve as Trustee under a certain Master Trust Indenture dated as of December 1, 2009 (referred to herein as the "Indenture") pursuant to which certain payments made in respect of the Mortgage Loans purchased by the Master Servicer will secure payment of the Bonds by a pledge and assignment of the GNMA Certificates and Fannie Mae Securities and Pledged Revenues (as such terms are more specifically defined in Article I hereof); and

WHEREAS, the Lenders have entered into this Agreement under which the Master Servicer has agreed to purchase the Mortgage Loans originated by the Lenders;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, each Lender, the Master Servicer, the Trustee and the Issuer severally agree as follows:

ARTICLE I

DEFINITIONS

In addition to the words defined in the preambles hereto, the following words and phrases shall have the following meanings:

"Acquisition Price" or **"Acquisition Cost"** means the cost of acquiring a Single Family Residence from the seller as a completed residential unit, as more fully described in Section 4.05 hereof.

"Act" means collectively the Florida Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended; Ordinance No. 79-09 enacted March 15, 1979, as amended, and Resolution No. 09-05 of the Brevard County Housing Finance Authority, adopted December 2, 2009, as amended and supplemented (collectively, the "Resolution"); the Interlocal Agreements between the Issuer and the Subsidiaries; and other provisions of applicable law.

"Application Start Date" means the date Lenders may begin accepting applications with respect to the separate cycles of the Program, as set forth in the MOA Series Supplement.

"Assignment of Mortgage" means the instrument completed and executed by a Lender, in recordable form, and pursuant to which a Lender assigns and delivers the related Mortgage and endorses the Mortgage Note to Servicer in connection with the purchase of the related Mortgage Loan by Servicer.

"Assisted Loans" means Mortgage Loans originated under the Assisted Loan Program.

"Assisted Loan Program" means the Issuer's program described in Section 4.02 hereof whereby the Issuer may provide an assistance payment, all as set forth in the applicable MOA Series Supplement. Maximum Originations of Assisted Loans shall be as set forth in the respective MOA Series Supplement.

"Bond Delivery Date" means the respective dates on which the various Series of Bonds are delivered.

"Bondholder" or **"owner of Bonds"** means the registered owner of any Outstanding Bond.

"Bonds" means the Brevard County Housing Finance Authority Single Family Housing Revenue Bonds issued pursuant to the Indenture.

"Builder Reservations" means the amount of funds reserved by a Lender from its Program Allocation for builders, subject to the provisions of Section 4.01 hereof.

"Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the State of Florida, or the state in which the principal office of the Trustee or the Master Servicer is located, are authorized by law to close.

"Certificate Acquisition Period" means the respective periods established by the MOA Series Supplement unless terminated earlier as provided herein or unless extended as provided herein, during which period GNMA Certificates and Fannie Mae Securities may be purchased by the Trustee from the Servicer under the conditions and pursuant to the provisions set forth in the Indenture; provided that the Certificate Acquisition Period shall end no earlier than thirty (30) days after the end of the Origination Period (or such lesser number of days permitted by the Master Servicer).

"Closing" means any closing of a Mortgage Loan by a Lender for a Mortgagor.

"Code" means the Internal Revenue Code of 1986, as amended, and all subsequent tax legislation duly enacted by the Congress of the United States. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect with respect thereto and applicable to the Bonds or the use of the proceeds thereof.

"Commitment" means a binding written Commitment by a Lender to originate a Mortgage Loan to an eligible borrower with respect to a specific Single Family Residence in accordance with this Agreement.

"Commitment Fee" means the fee, if any, submitted by each Lender to the Issuer on or before the Bond Delivery Date in connection with its Offer to Originate in the amounts set forth in the respective MOA Series Supplement.

"Commitment Period" means the period during which Commitments must be issued by Lenders in accordance with Section 4.01 hereof, commencing on the Application Start Date and ending on the dates set forth in the respective MOA Series Supplement, unless such periods are extended by the Issuer.

"Compliance Closing Documents" means the documents listed in the Lender's Guide pertaining to a particular Mortgage Loan.

"Condominium Development" or **"Condominium"** means a real estate development: (i) formed pursuant to the condominium statutes of the State and a recorded declaration and other constituent documents; (ii) the unit owners of which have title to a unit in a development, and may have the right to the exclusive use of certain limited common areas; and (iii) the common areas of which are administered and maintained by, but not owned by, an owners association, which may levy assessments against each unit estate.

"Conventional Mortgage Loan" means a Mortgage Loan other than an FHA/RD/VA Loan or Qualified Rehabilitation Loan which meets the requirements of this Agreement and Fannie Mae.

"County" or "Counties" means Brevard, Volusia, Clay, St. Johns and Nassau Counties or either of them.

"Current Annual Family Income" means the total current annualized income of the Mortgagor and all adult members of a family residing or intending to permanently reside in the Single Family Residence from whatever source derived and before taxes or withholdings. For purposes of this definition, "current annualized income" includes primary base employment earnings and recognizable secondary income such as bonuses, commissions, overtime, part-time earnings, dividends, interest, royalties, pensions, VA compensation and net rental income, other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments, continuation of which is probable based on foreseeable economic circumstances based upon the Mortgagor's affidavit to such effect), all as computed at the time of application for a Mortgage Loan, and confirmed at the time of Closing.

"Discount" means a fee collected from a Mortgagor or seller of a Single Family Residence as set forth in Section 4.03 hereof, not in excess of the percentages of the principal amount of the Mortgage Loan set forth in the respective Series Supplements.

"Eligible Loan Area" means the area within the territorial limits of the Counties.

"Eligible Persons and Families" means a person or persons and family or families (i) intending principally and permanently to reside as a household in a Single Family Residence, (ii) whose total Current Annual Family Income does not exceed the Maximum Current Annual Family Income, and (iii), with respect to each Mortgagor who purchases a Single Family Residence not located within a Targeted Area, each Mortgagor is a First Time Homebuyer (provided that Lender may originate Mortgage Loans to mortgagors other than First Time Homebuyers in Targeted Areas).

"Excess Servicer Fee" means that portion of the interest on Reduced Point Loans and Assisted Loans which exceeds in each case, the sum of the Pass-Through Rate, the respective Servicing Fee and the GNMA or Fannie Mae Guarantee Fee, as described in Section 4.02 hereof.

"Fannie Mae" means the Fannie Mae, a corporation organized and existing under the laws of the United States.

"Fannie Mae Guides" means the Fannie Mae Selling and Servicing Guides, as amended from time to time, as modified by the Pool Purchase Contract.

"Fannie Mae Security" means a single pool, guaranteed mortgage pass-through Fannie Mae Mortgage-backed Security, providing for the regularly scheduled monthly payments and any prepayments thereunder with the final regularly scheduled payment thereunder to be made not later than the respective dates set forth in the MOA Series Supplement (or such later date if the Certificate Acquisition Period is extended as provided herein), bearing interest at the Pass-Through Rate, issued by Fannie Mae in book entry form, recorded in the name of the Trustee or

its nominee, guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans in the related mortgage pool, with a latest loan maturity date not later than 60 days before final Bond maturity.

"FHA" means the Federal Housing Administration of the U.S. Department of Housing and Urban Development, or other successor to its functions.

"FHA Insurance" means FHA mortgage insurance issued under one of the following FHA Insurance programs pursuant to the National Housing Act,

- (a) FHA §203(b), Home Unsubsidized (including 223(e) declining area loans);
- (b) FHA §234(c), Condominiums;
- (c) FHA §203(b)(2), Veteran's Status;
- (d) FHA §203(ks), "Streamline" Rehabilitation Home Mortgage Insurance; or
- (e) such other FHA insurance programs as shall be acceptable to the Issuer and the Servicer.

"FHA Insured" means insured under FHA Insurance.

"FHA/RD/VA Loans" means Mortgage Loans which are FHA Insured, RD Guaranteed or VA Guaranteed.

"First Time Homebuyer" means a Mortgagor who has not had an ownership interest in a principal residence at any time during the three-year period ending on the date the Mortgage is executed, as more fully described in Section 4.06 hereof.

"GNMA" means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development. Its powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C., §1716 et seq.).

"GNMA Certificate" or **"Certificate"** means the fully modified GNMA II Mortgage Pass-Through Certificate (or the electronically transmitted confirmation provided for hereinafter), issued by the Servicer in exchange for FHA/RD/VA Loans and in the Form of Appendix 39 "Single Family Mortgage-Backed Certificate" of the GNMA Guide, as defined herein, purchased by the Trustee on behalf of the Issuer and registered in the name of the Trustee or its nominee, and guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934, as amended, and the regulations promulgated thereunder and based on and backed by FHA Insured Mortgage Loans, RD Mortgage Loans or VA Guaranteed Mortgage Loans or Qualified Rehabilitation Loans made by the Lenders. In the event GNMA so requires, pursuant to GNMA's book entry system, in lieu

of the aforesaid certificate, the confirmation of GNMA's guaranty obligation shall be transmitted to the Trustee, or its nominee, electronically. In the event the Servicer so elects by notice in writing to the Trustee given not later than 30 days prior to a Certificate Purchase Date, "GNMA Certificate" means also the fully-modified GNMA I Mortgage Pass-Through Certificate (or the electronically transmitted confirmation thereof). If the Servicer delivers a GNMA Certificate which is in a denomination that is less than \$500,000, the Trustee may conclude that GNMA has approved such lesser amount.

"GNMA Guide" means the GNMA Mortgage-Backed Securities Guide or Guides, then in effect on the date of its application, if any, hereunder.

"Guide" means either the GNMA Guide or Fannie Mae Guides as applicable.

"Indenture" means the Master Trust Indenture dated as of December 1, 2009, between the Issuer and the Trustee, and all amendments or supplements thereto.

"Issuer" means the Brevard County Housing Finance Authority.

"Lender" means a home mortgage lending institution or entity, other than the Trustee, (i) which is currently participating in the local private home lending market, (ii) which is an FHA-approved mortgagee (with direct endorsement underwriting authority preferred), a VA approved lender (with automatic approval authority preferred), RD approved lender and a GNMA approved issuer-servicer in good standing (unless waived by the Servicer) and, with respect to Conventional Mortgage Loans, is a Fannie Mae approved lender in good standing, has errors and omissions coverage of at least \$300,000, meets the requirements of the Servicer with respect to financial status, and is acceptable to a participating PMI Insurer, if applicable, (iii) which can make the representations, warranties and covenants set forth in Section 2.02 hereof and (iv) which has agreed to and will originate Mortgage Loans itself or through correspondent Lenders or the Servicer pursuant to this Agreement and the related Offer to Originate.

"Lender's Guide" means the guide prepared by the Servicer setting forth the guidelines for the delivery of documents by the Lender to the Servicer and for the origination of such Mortgage Loans.

"Manufactured Home" means a residential unit manufactured in a factory after June 15, 1976 which is delivered to a homesite in more than one section and affixed on a permanent foundation and meet FHA or VA guidelines in addition to guidelines established in the Lender Manual and in the judgment of the Servicer, the residential unit must be eligible for 30-year real estate mortgage financing and be eligible for FHA Insurance or VA Guaranty and inclusion in a GNMA Certificate or Fannie Mae Security.

"Maximum Acquisition Price" means the amounts set forth in the respective MOA Series Supplement with respect to Mortgage Loans originated on new and existing Single Family Residences in the Eligible Loan Area, which amounts may be redetermined by the Issuer, and provided to the Servicer for dissemination to Lenders, from "Safe Harbor" average area purchase

prices published from time to time by the United States Treasury Department or from surveys or other compilations of acquisition prices that in the opinion of recognized counsel represent acceptable methods for determination of such average acquisition prices for purposes of Section 143 of the Code, which Maximum Acquisition Price shall not exceed 90% of the average area purchase price. Acquisition Price limits are also subject to the applicable FHA/RD/VA limits for each County.

"Maximum Current Annual Family Income" means, with respect to Mortgage Loans originated on new and existing Single Family Residences in the Eligible Loan Area, the applicable limits as stated in the respective MOA Series Supplement, which amounts may be redetermined by the Issuer, and provided to the Servicer for dissemination to Lenders, which may not exceed the state median income figures published by the United States Department of Housing and Urban Development from time to time.

"MOA Series Supplement" means the supplement to this Agreement, in the form attached hereto as Exhibit A, entered into with respect to the issuance of each Series of Bonds for which origination of Mortgage Loans will occur and the corresponding cycle of the Program

"Moody's" means Moody's Investors Service, its successors and assigns, and if such entity shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Mortgage" means the written instrument securing the related Mortgage Loan and encumbering a Single Family Residence, which instrument shall be in the then-effective form required by FHA for FHA Insured Mortgages, the form required by RD for RD Mortgage Loans, the form required by Fannie Mae for Conventional Mortgage Loans and in the form required by VA for VA Guaranteed Mortgages, as applicable, with appropriate riders. "Mortgage," when used herein, shall not include the second lien mortgage executed pursuant to Section 4.07 hereof.

"Mortgage File" means the mortgage documents listed in the Lender's Guide pertaining to a particular Mortgage Loan.

"Mortgage Loan" means a mortgage loan at a fixed rate of interest for an original loan term not exceeding thirty (30) years from the date of the first payment of principal and interest by an Eligible Person or Family evidenced by a Mortgage Note secured by a related first-lien Mortgage on a Single Family Residence located within the Eligible Loan Area, which the Servicer purchases from Lender pursuant to this Agreement and the terms of which comply with this Agreement. "Mortgage Loan" as used herein does not include second lien mortgage loans made pursuant to Section 4.07 hereof.

"Mortgage Loan Purchase Price" means the amount equal to the percentages set forth in the respective MOA Series Supplement of the outstanding principal balance of each Mortgage Loan purchased by the Servicer in accordance with the Origination Agreement, which amount includes the Servicer Premium.

"Mortgage Note" means the then-effective form of mortgage note required by FHA for FHA Insured loans, the form required by VA for VA Guaranteed loans, the form required by RD for RD Loans and the form required by Fannie Mae for Conventional Mortgage Loans, as applicable, with appropriate riders, executed to evidence the Mortgagor's obligation to repay the Mortgage Loan.

"Mortgagee Single Interest Hazard Insurance Policy" means a mortgagee single interest hazard insurance policy or any similar policy maintained with respect to each Mortgage Loan by the Master Servicer which will not impair the initial rating on the Bonds.

"Mortgagor" means any person who has a present ownership interest in a Single Family Residence subject to the related Mortgage and/or executes the Mortgage (but does not include any person who executes only the Mortgage Note as a cosigner or guarantor and who does not have a present ownership interest).

"Notice Address" means, unless otherwise designated pursuant to Section 7.05 hereof:

(a) As to the Issuer:

Brevard County Housing Finance Authority
4420 South Washington Avenue
Titusville, Florida 32780
Attention: Angela Abbott

(b) As to the Trustee:

Wells Fargo Bank, N.A.
225 E. Robinson Street, Suite 250
Orlando, Florida 32801
Attention: Corporate Trust Division

(c) As to the Master Servicer:

U.S. Bank Home Mortgage-MRBP Division
17500 Rockside Road
Bedford, Ohio 44146
Attention: Sally Mazzola
Scott Schmitt
Elaine Wojtowicz

(d) As to Lender, the address shown on the Offer to Participate.

"Notice of Acceptance" means the form of notice to be given by the Issuer to the Servicer and the Lenders, by which Lenders are notified of the acceptance of their Offers to

Originate, the stated interest rate established for the Program, their Program Allocation, their approved Builder Reservation(s), and the Application Start Date.

"Offer to Originate" means the Offer to Originate Single Family Mortgage Loans and any amendments thereto pursuant to which a Lender offers to originate Mortgage Loans in accordance with the provisions of this Agreement.

"Origination Fee" means a fee not in excess of the amount set forth in the respective MOA Series Supplement to be retained by the Lender as partial compensation for originating each Mortgage Loan, payable in the manner provided in Section 4.03 hereof.

"Origination Period" means the period for the Purchase of Mortgage Loans from the Lender by the Servicer commencing on the Application Start Date and ending on the date set forth in the respective MOA Series Supplement, unless terminated earlier at the option of the Issuer with thirty (30) days prior written notice to the Servicer; provided that the Origination Period shall end at least thirty (30) days before the end of the Certificate Acquisition Period (or such lesser number of days acceptable to the Servicer).

"Planned Unit Development" or "PUD" means a real estate development of separately owned lots, with: (i) contiguous or noncontiguous areas or facilities usually owned by an owners' association in which the owners of the lots have a stock or membership interest; (ii) title to the real estate under the dwelling units being held by the individual lot owners and not by the owners' association; (iii) the association having title to and administering the common areas, and levying monthly charges against the lot owners for common areas expenses; and (iv) membership in the owners association not being severed from the ownership of an individual unit.

"PMI Insurer" means a provider of Private Mortgage Guaranty Insurance approved by Fannie Mae.

"Pool" means all of the Mortgage Loans held as part of the particular GNMA or Fannie Mae pool of Mortgage Loans, which may relate to one or more GNMA Certificates or Fannie Mae Securities.

"Pool Purchase Contract" means the Fannie Mae Pool Purchase Contract between the Servicer and Fannie Mae relating to the sale by the Servicer of Conventional Mortgage Loans to Fannie Mae and the servicing thereof.

"Private Mortgage Guaranty Insurance" means a private mortgage guaranty insurance policy issued by a PMI Insurer with respect to a Conventional Mortgage Loan in accordance with the terms hereof in a form and providing coverage in an amount as shall be approved by Fannie Mae in accordance with the Fannie Mae Guides.

"Program" means the Issuer's program for the financing of Mortgage Loans through the purchase of GNMA Certificates and Fannie Mae Securities, as contemplated by this Agreement.

"Program Administrator" means Housing and Development Services, Inc. d/b/a eHousingPlus, a corporation organized under the laws of the State of Florida, in its capacity as Program Administrator hereunder and under the Program Administration and Servicing Agreement or any successor thereto.

"Program Administration and Servicing Agreement" means the Program Administration and Servicing Agreement dated as of the date hereof, between the Issuer and the Master Servicer as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

"Program Allocation," "Allocation Amount" or "Allocation" means, with respect to each Lender and each cycle of the Program, the aggregate principal amount of Mortgage Loans for Single Family Residences that the Issuer has notified Lender it can originate for sale to the Servicer pursuant to the Lender's Offer to Originate and the Issuer's Notice of Acceptance.

"Program Compliance Review Fee" means a fee in the amount set forth in the respective Series Supplement to be paid by or on behalf of the Mortgagor to the Lender at the time of Closing, which fees will be paid by the Lender to the Servicer/Program Administrator.

"Program Documents" shall have the meaning given such term in the Program Administration and Servicing Agreement.

"Program Invitation & Guidelines" shall mean any supplemental information provided by the Issuer to those Lenders originating Mortgage Loans in Brevard County, Florida, or Clay County, Florida, necessary to implement either the Second Mortgage Program described in Section 4.07 hereof.

"Purchase" means any purchase by the Servicer of a Mortgage Loan from a Lender pursuant to Section 4.09 of this Agreement.

"Purchase Date" means the date on which a Purchase of a Mortgage Loan by the Servicer occurs, which dates shall be established by the Servicer during the Origination Period, as set forth in the Lender's Guide; provided that the Servicer shall establish at least two Purchase Dates per month during the Origination Period.

"Qualified Appraiser" means an individual or firm that is approved by FHA, RD, Fannie Mae and/or VA to act in such capacity.

"Qualified Rehabilitation" and "Qualified Rehabilitation Loan" shall have the meanings ascribed thereto in the Indenture.

"RD" means Rural Housing Development Service (formerly the Farmers Home Administration) of the United States Department of Agriculture, its successors and assigns.

"RD Guaranty" means a guaranty of a Mortgage Loan pursuant to the Rural Housing Development Service's Guaranteed Rural Housing Loan Program.

"RD Mortgage Loan" means a Mortgage Loan guaranteed by the RD.

"Reduced Point Loans" means Mortgage Loans originated under the Reduced Point Program.

"Reduced Point Program" means the Issuer's program described in Section 4.02 hereof whereby at the Mortgagor's election the Mortgage Loan may bear interest at a certain rate in exchange for a reduction of the required Discount and Origination Fee, all as set forth in the applicable MOA Series Supplement.

"Servicer" or **"Master Servicer"** means U.S. Bank N.A., dba U.S. Bank Home Mortgage-MRBP Division, a national banking association, in its capacity as Master Servicer hereunder and under the Program Administration and Servicing Agreement, or any substitute appointed pursuant to the Program Administration and Servicing Agreement.

"Servicer Premium" means the additional amount set forth in the respective MOA Series Supplement, payable by the Servicer in connection with the purchase of a Mortgage Loan and included in the Mortgage Loan Purchase Price.

"Servicing Officer" means any officer of the Master Servicer involved in, or responsible for, the administration and servicing of the Mortgage Loans as evidenced by a certificate of the Master Servicer delivered to the Trustee and the Issuer on the Bond Delivery Date; provided that the designated officers of the Master Servicer may be changed from time to time by subsequent certificates delivered to the Trustee and the Issuer.

"Single Family Residence" means a new or existing residential unit which is taxed as real property under the laws of the State and which complies with Section 4.05 hereof which is located within the Eligible Loan Area, including a unit in a condominium or Planned Unit Development meeting GNMA and Fannie Mae standards, and acceptable to FHA, RD or VA, as applicable, including two-, three- or four-family residences (but only one-family residences for the Fannie Mae programs), and ownership of which is in fee simple, and land appurtenant to the residential unit, (i) which is designed and intended primarily for residential housing, (ii) which is determined by qualified appraisal as provided herein to have an expected useful life of not less than 30 years, (iii) which will be occupied by the Mortgagor as his or her principal residence within a reasonable time (i.e., not later than 60 days) after the Closing Date of the Mortgage Loan, (iv) the Acquisition Price of which does not exceed the Maximum Acquisition Price, and (v) the land appurtenant to which reasonably maintains the basic livability of the residence and does not provide, other than incidentally, a source of income to the Mortgagor. A Single Family Residence is "new" if it has not been occupied prior to the issuance of a commitment to a mortgagor for a Mortgage Loan financing such Single Family Residence under the Program. A Single Family Residence is "existing" if it has been occupied prior to such commitment.

"Standard Hazard Insurance Policy" means a standard homeowner's fire insurance policy with extended coverage as approved by the Insurance Commissioner of the State, as required by Section 4.16 hereof.

"S&P" means Standard & Poor's Rating Group, its successors and assigns, and if such entity shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"State" means the State of Florida.

"Subsidiary" means Nassau County, Florida and the Housing Finance Authorities of Clay County, St. Johns County and Volusia County, Florida.

"Targeted Areas" means the entirety of Brevard County and with respect to Volusia County, the areas included in census tracts, 815, 819, 820 and 821.

"Targeted Area Loans" means any Mortgage Loan funding the acquisition of a Mortgagor's residence which is located in a Targeted Area.

"Trustee" means Wells Fargo Bank, N.A., having its designated corporate trust office in Orlando, Florida, or any successor trustee appointed under the Indenture.

"Underinsured Cause" means any cause of damage to property subject to a Mortgage where the cost of the complete restoration of such property is not fully reimbursable by the insurance policies required to be maintained pursuant to Section 4.16 of this Agreement.

"VA" means the Veterans Administration, an agency of the United States of America, or any successor to its functions.

"VA Guaranteed" means guaranteed by the VA under the Serviceman's Readjustment Act of 1944, as amended.

"VA Guaranty" means a guaranty by the VA under the Serviceman's Readjustment Act of 1944, as amended, provided such guaranty shall be in accordance with Section 4.02 hereof.

Unless otherwise defined herein, all words and phrases defined in Article I of the Indenture shall have the same meaning in this Agreement.

ARTICLE II

REPRESENTATIONS

SECTION 2.01. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER. The Issuer represents and warrants to, and covenants with, each Lender, the Trustee and the Master Servicer that:

(a) The Issuer is a separate public body corporate and politic, duly organized and created by the Board of County Commissioners of Brevard County, Florida, under the Constitution and laws of the State and the Act. Pursuant to the Act and certain resolutions duly adopted by the Issuer, the Issuer has duly authorized the execution and delivery of this Agreement, the acceptance of the Offers to Originate, and the execution and delivery of the Indenture.

(b) The Issuer has complied with all of the provisions of the Constitution and laws of the State and the Counties, including the Act, and has full power and authority to consummate all transactions contemplated by this Agreement, the Bonds, the Indenture and any and all other agreements, documents and instruments relating thereto.

(c) To accomplish the foregoing, the Issuer proposes to issue the Bonds following its acceptance of the Offers to Originate on the terms and basis set forth in the Indenture and to use the proceeds for the purpose of purchasing GNMA Certificates and Fannie Mae Securities secured by the underlying Mortgage Loans on Single Family Residences in an amount not to exceed the principal amount of the Bonds as specified herein.

(d) Any second mortgage loan program described in Section 4.07 hereof shall be, prior to its implementation, approved by FHA/RD/VA, GNMA, Fannie Mae and the Servicer.

(e) This Agreement and all documents and instruments contemplated hereby, which are executed and delivered by the Issuer, will constitute valid, legal and binding obligations of the Issuer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by applicable debtor relief laws.

SECTION 2.02. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LENDER. Each Lender represents and warrants to, and covenants with, the Issuer, the Trustee and the Master Servicer (each of which representations, warranties and covenants herein and with respect to any Mortgage Loan originated by Lender hereunder shall survive the purchase of Mortgage Loans originated by Lender) that:

(a) Lender is an entity duly organized and existing under the laws of the state in which it was created, or is duly chartered or incorporated under federal law, is duly authorized to transact business in the State, and customarily provides service or otherwise aids in financing mortgage loans located in the State.

(b) Lender agrees that during the term of this Agreement it will remain subject to supervision and examination by State or federal authorities, as may be applicable, and that it will remain in good standing and qualified to do business under any applicable laws of the United States of America, the state of its organization and of the State, will not dissolve or otherwise dispose of all or substantially all of its assets and will not voluntarily consolidate with or merge into any other entity or permit one or more other entities to consolidate with or merge into it; provided, that Lender may, without violating this paragraph, consolidate with or merge into another entity, or permit one or more entities to consolidate with or merge into it, or sell or otherwise transfer to another such entity all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee entity, as the case may be, shall be subject to the supervision and examination of the State or federal authorities, as may be applicable, shall constitute a "Lender" as defined herein and shall assume in writing all of the obligations of Lender under this Agreement (in the case of a sale of all or substantially all of a Lender's assets, the Issuer shall release Lender in writing, concurrently with and contingent upon such assumption, from all liability hereunder).

(c) Lender has the power to execute and deliver the applicable Offer to Originate, to accept the terms of this Agreement, to enter into the transactions contemplated by this Agreement, and the acceptance and performance of this Agreement have been duly authorized by all necessary corporate and other action.

(d) Neither the execution and delivery of the applicable Offer to Originate, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, shall conflict with or result in any breach or violation of any of the terms, conditions or provisions of any applicable laws, including regulations, or any agreement or instrument to which Lender is now a party or by which it is bound, or constitute a default under any of the foregoing.

(e) Lender will not take any action or permit any action which is within its control to be taken which would impair the exclusion from gross income for federal income tax purposes of interest on the Bonds (other than any Taxable Bonds issued pursuant to the Indenture).

(f) Lender (including a "related person" thereof, within the meaning of Section 144(a)(3) of the Code) may purchase Bonds; however, it shall not, pursuant to any arrangement, formal or informal, purchase Bonds in an amount related to the amount of Mortgage Loans to be originated by the Lender pursuant to this Agreement.

(g) Lender shall furnish within five (5) Business Days following receipt of the applicable Notice of Acceptance an executed copy of the corresponding MOA Series Supplement in final form together with five additional executed signature pages, and, if it has not previously executed a copy of this Agreement, provide an executed copy hereof together with five additional signature pages and will furnish such other documents at or prior to delivery of the Bonds as may reasonably be requested by the Issuer or other parties to the transactions contemplated hereby.

(h) Lender is (i) an FHA-approved mortgagee, with direct endorsement underwriting authority preferred, in good standing, (ii) an approved lender in good standing for VA-guaranteed mortgage loans (with automatic approval authority preferred), (iii) an approved lender in good standing for RD Mortgage Loans and (iv) a GNMA approved "issuer-servicer" in good standing (unless waived by the Servicer). If Conventional Mortgage Loans are to be originated, Lender is a Fannie Mae-approved lender in good standing which meets the requirements of the Servicer with respect to financial status and is acceptable to a participating PMI Insurer. Any Lender approved by the Servicer may satisfy the foregoing requirements by being a correspondent lender of the Servicer. The Lender will notify the Servicer in writing at such time as its status with respect to items (i) - (iii) in this paragraph (h) changes.

(i) The Lender will comply, (i) with respect to each FHA Mortgage Loan, with the National Housing Act of 1934, as amended, with all rules and regulations issued thereunder and with all applicable administrative publications, (ii) with respect to each VA Mortgage Loan, with the Servicemen's Readjustment Act, as amended, with all rules and regulations issued thereunder and with all administrative publications, (iii) with respect to each Mortgage Loan, as determined as of the date of each Purchase hereunder, with all the requirements of, and the "Representations and Warranties of Lender" set forth in the GNMA Guide and Fannie Mae Guides, (iv) with respect to each RD Mortgage Loan, the rules and regulations of RD applicable thereto, and (v) any and all applicable laws governing or regulating the origination of mortgage loans.

(j) Lender is currently authorized to make mortgage loans in the State, is currently originating mortgage loans for single family residences within the Eligible Loan Area and has an office located within the Eligible Loan Area or has made arrangements to receive applications for Mortgage Loans within the Eligible Loan Area.

(k) Lender agrees to indemnify and hold harmless jointly and severally the Issuer, Trustee and Master Servicer and their respective directors, officers, agents and employees from and against any and all claims, losses, damages or liabilities (including, without limitation, reasonable legal fees and expenses) arising out of, with respect to, or in connection with any performance, or failure to perform, by Lender of any act required hereunder or the breach of any representation or warranty made herein.

(l) There is no litigation pending or, to the Lender's knowledge, threatened, against the Lender or affecting the right of any of the present members of the Board of Directors or officers of the Lender to their respective offices or their jurisdiction or authority over the affairs of the Lender, nor in any way questioning the execution or validity of this Agreement; there are no other legal or governmental proceedings (other than ordinary routine litigation incident to the business conducted by the Lender, or, to the Lender's knowledge, threatened by governmental authority or others) to which the Lender is (or may be) a party or by which the Lender is (or may be) bound or by which any property of the Lender is (or may be) subject, which, if finally determined adversely to the Lender, would individually or, in the aggregate, have a material adverse effect on the financial position or results of the operations of the Lender.

(m) All information provided by Lender to the Issuer for use in the respective Official Statement distributed in connection with issuance of the corresponding Series of Bonds was true and correct when given and on the respective Bond Delivery Date.

(n) The Lender will comply with the non-discrimination provisions of the Civil Rights Act of 1964, the regulations promulgated thereunder, and Executive Order 11246, Equal Employment Opportunity, dated September 24, 1965, and the Fair Housing Amendments Act of 1988.

(o) In connection with the transactions contemplated by the Program Documents, the Lender has not directly or indirectly contracted or entered into any agreement with any other mortgage lender or any other person or institution (except Issuer or its agents) with respect to any aspect of its participation in the Program, other than any agreement expressly authorized by the Program Documents. In particular, the Lender warrants that, prior to the delivery of its Offer to Participate to Issuer, it has not communicated or agreed with any other mortgage lender or any other person or institution as to the amount of Mortgage Loans it has committed and agreed to originate under the Program.

(p) No information, certificate of an officer or statement furnished in writing, or report required hereunder, delivered to the Servicer, the Issuer or the Trustee will, to the knowledge of the Lender, contain any untrue statement of a material fact or omit a material fact necessary to make the information, certificate, statement or report not misleading.

(q) Lender shall promptly notify Issuer, Trustee and Servicer, in writing, of any suspension or termination of powers to do business as contemplated by this Agreement, or any substantial changes in personnel of Lender's loan originating staff or administration.

(r) Any review or approval by Servicer of any Mortgage Loan or the credit or tax compliance information in connection therewith or the issuance by Servicer of a certificate of compliance hereunder shall not relieve Lender of any responsibility or liability for the performance or nonperformance of its obligations hereunder.

(s) The Lender currently is covered by, and during the Origination Period shall maintain, either (i) errors and omissions insurance with coverage of no less than Three Hundred Thousand Dollars (\$300,000) and a fidelity bond in an amount of no less than Three Hundred Thousand Dollars (\$300,000), which must be endorsed to name the Issuer, Trustee and Servicer as additional insureds, or (ii) self-insurance arrangements in the same coverage amounts, all in accordance with applicable HUD regulations.

(t) Lender shall use diligent, reasonable efforts to become and to remain familiar with all GNMA and Fannie Mae rules and regulations applicable to the Program. Any failure of Issuer or Servicer to inform Lender of changes or proposed changes in GNMA and Fannie Mae rules and regulations affecting the Program shall not relieve Lender of its obligations under this subsection (t).

(u) In instances, if any, where in the reasonable judgment of the Servicer, based upon adverse information with respect to the Mortgage Loan received by the Servicer in connection with the origination of a Mortgage Loan, inspection is advisable, the Servicer may require the originating Lender, and Lender hereby covenants, to inspect the Single Family Residence prior to Purchase of the Mortgage Loan by Servicer to determine whether it (1) constitutes a completed Single Family Residence, (2) contains land in excess of normal requirements, (3) shows evidence of use or design for use in a trade or business of the Mortgagor, and (4) is occupied by the Mortgagor as Mortgagor's principal residence, and the Lender shall certify to the Servicer in writing as to the foregoing facts.

SECTION 2.03. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE SERVICER. The Servicer represents and warrants to, and covenants with, the Lender, the Issuer and the Trustee that:

(a) The Servicer is a duly organized, validly existing and in good standing national banking association, is duly qualified and in good standing to transact business in the State, and possesses all requisite authority, power, licenses, permits and franchises to conduct any and all business contemplated by the Program Documents and to execute, deliver and comply with its obligations under the terms of this Agreement, the execution and delivery and performance of which have been duly authorized by all necessary corporate action.

(b) The execution and delivery of this Agreement by the Servicer in the manner contemplated herein and the performance and compliance with the terms hereof by it will not violate (i) its certificate of incorporation or bylaws, or (ii) any laws which could have any material adverse effect whatsoever upon the validity, performance or enforceability of any of the terms of this Agreement applicable to the Servicer, and will not constitute a material default (or an event which, with notice or lapse of time, or both, would constitute a material default) under, or result in the breach of, any material contract, agreement or other instrument to which the Servicer is a party or which may be applicable to it or any of its assets.

(c) The execution and delivery of this Agreement by the Servicer in the manner contemplated herein and the performance and compliance with the terms hereof by it do not require the consent or approval of any governmental authority, or if such consent or approval is required, it has been obtained.

(d) This Agreement, and all documents and instruments contemplated hereby, which are executed and delivered by the Servicer, will constitute valid, legal and binding obligations of the Servicer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by applicable debtor relief laws.

(e) The Servicer is a Fannie Mae-approved seller-servicer and GNMA-approved issuer-servicer of FHA-insured and VA-guaranteed mortgage loans and an authorized issuer of GNMA Certificates and will remain so approved for the term of this Agreement.

(f) With respect to the servicing of Mortgage Loans, the Servicer will comply, (i) as to each FHA Mortgage Loan, with the National Housing Act of 1934, as amended, all rules and regulations issued thereunder and all applicable administrative publications, (ii) as to each VA Mortgage Loan, with the Servicemen's Readjustment Act, as amended, all rules and regulations issued thereunder and all applicable administrative publications, and (iii) as to each Mortgage Loan, with the provisions of the GNMA Guide and the Fannie Mae Guides and all other applicable rules, regulations, policies and guidelines of RD, if applicable, GNMA and Fannie Mae.

(g) With respect to its duties hereunder, the Servicer will comply with the applicable non-discrimination provisions of the Civil Rights Act of 1964, the regulations promulgated thereunder, Executive Order 11246, Equal Employment Opportunity, dated September 24, 1965, and the Fair Housing Amendments Act of 1988.

(h) From time to time, the Servicer will report to the Lender, the Issuer and the Trustee, as more fully set forth in this Agreement and the Indenture, information relating to the Mortgage Loans, and will do every act and thing which may be necessary or reasonably required to perform its duties under this Agreement and the Indenture.

(i) The Servicer agrees that so long as it shall continue to serve in the capacity contemplated under the terms of this Agreement, it will remain in good standing under the laws governing its organization and qualified under the laws of the State to do business in the State.

(j) No information or statement furnished in writing or report required hereunder delivered to the Lender, the Issuer or the Trustee will, to the knowledge of the Servicer, contain any untrue statement of a material fact or omit a material fact necessary to make the information, statements or report not misleading.

(k) The Servicer is a mortgage banker, mortgage company or other financial institution that customarily provides service or otherwise aids in the financing of mortgage loans on single family residential housing located within the State, or a holding company of one or more of the foregoing.

(l) Neither the Servicer nor any "related person" as defined in Section 144(a)(3) of the Code shall acquire, pursuant to an arrangement, formal or informal, Bonds in an amount related to the amount of Mortgage Loans to be acquired by Servicer under the Program.

(m) The Servicer and its officers, directors and principal shareholders are not affiliated with the Trustee, the Issuer, any Lender or any of their respective affiliates.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF BOND PROCEEDS

SECTION 3.01. AGREEMENT TO ISSUE BONDS; APPLICATION OF BOND PROCEEDS. The Issuer has issued, sold and delivered to the initial purchaser or purchasers thereof the initial Series of the Bonds on the terms and basis set forth in the Indenture and applied such Bond proceeds in the manner required by the Indenture. The Issuer will apply the proceeds of each future Series of Bonds as set forth in the Indenture.

SECTION 3.02. NO LEGAL OR EQUITABLE INTEREST OF LENDER IN FUNDS OR ACCOUNTS UNDER INDENTURE. The Lender shall have no legal or equitable right to any funds or accounts created by or pursuant to the Indenture, or to any of the Bond proceeds, Commitment Fees or other moneys or investments contained in such funds or accounts or otherwise pledged to the payment of the principal of, premium, if any, and interest on the Bonds pursuant to the Indenture.

ARTICLE IV

COMMITMENTS TO BUY AND SELL MORTGAGE LOANS

SECTION 4.01. COMMITMENTS TO BUY AND SELL MORTGAGE LOANS; PROGRAM ALLOCATIONS; BUILDER RESERVATIONS. The Servicer hereby agrees to purchase and take delivery of Mortgage Loans from Lender, and Lender agrees to use its best efforts to originate and thereafter sell and assign to Servicer, Mortgage Loans in an aggregate principal amount equal to Lender's Program Allocation, at the Mortgage Loan Purchase Price, plus, in each case, interest accrued thereon, if applicable, to the date of Purchase (less unearned prepaid interest) at the rate stated in the Mortgage Note, as determined by the Servicer, all on the conditions and terms set forth in the respective Offer to Originate, this Agreement and the corresponding MOA Series Supplement. The Mortgage Loan Purchase Price shall be paid in accordance with Section 4.09 hereof.

Lender acknowledges that as a condition to Purchase each of the Mortgage Loans by the Servicer, the Mortgage Loan shall (i) be current in payments of principal and interest, and (ii) be in compliance with the applicable requirements of FHA, RD, VA, the Program Documents, the Lender's Guide, the GNMA Guide and the Fannie Mae Guides. Applicants with a reservation under any outstanding programs are ineligible.

Lender understands and agrees that, initially, its Program Allocation may be used only in each of the Counties and in the amounts for which funds have initially been allocated, as set forth in the respective MOA Series Supplement, subject to adjustments that may be made with regard to allocations as described in said MOA Series Supplement. Upon notification by the Issuer, Lender may use the balance of its Program Allocation, for which applications have not yet been received by Lender, in any of the Counties, provided that funds initially reserved for use in a particular County shall not be used in any other County prior to 120 days after delivery of the Bonds. Lender understands and agrees that, subject to the preceding sentence, Commitments, including Commitments made from Builder Reservations, shall be made to applicants on a first-come, first-served basis. Lenders are required to utilize procedures to ensure the application of the first-come, first-served requirement.

The maximum amount of the total funds available under each Program cycle which may be reserved for builders shall be as set forth in the respective MOA Series Supplement. The amount of approved Builder Reservation(s) for Lender is specified in the Notice of Acceptance previously delivered to Lender and the Servicer. No particular builder (including related persons as defined in the Code) may reserve funds from all Lenders which total in the aggregate in excess of 10% of the total funds available to purchase Mortgage Loans under the Program.

No portion of a Lenders' Spot Loan Allocation may be reserved for Builder Reservations.

The Lender shall, if and to the extent the Lender subsequently collects fees on funds not utilized by a builder for which the builder paid a reservation fee to the Lender, refund to the builder the portion of the Commitment Fee paid by such builder on such funds.

The Lender shall require that any builder for whom funds have been reserved shall exhaust its Builder Reservations prior to seeking any other Program funds for Mortgage Loans on Single Family Residences.

If any Lender fails to commit its Program Allocation by the dates set forth in the respective MOA Series Supplement, the Issuer, in its sole discretion and in consultation with the Servicer, may reallocate all or part of such unused portion to other Lenders, or to a general pool. Upon any such reallocation: (a) the Lender may, at the discretion of the Authority, be reimbursed its Commitment Fee from the assignee only to the extent that the assignee collects the Origination and Discount Fee pursuant to clause (b) of this paragraph; (b) the assignee shall collect the Origination Fee, the loan application fee, the Servicer Premium, if any, and the Discount Fee with respect to any Mortgage Loan originated by such assignee from such reallocated portion; (c) the assignee may pay to the assignor/ Lender by check upon such origination an amount not to exceed 1.25% of the amount of the Mortgage Loan and shall retain the balance of the fees collected; and (d) the Lender shall remain liable for its obligations under the Origination Agreements.

The Issuer also expressly reserves the right, in its sole determination, to repurchase at any time (including any date prior to the end of the commitment period) all or any part of a Lender's outstanding allocation. In the event the Issuer exercises such right, the Issuer will pay to the Lender that portion of its Commitment Fee related to the amount of outstanding allocation so repurchased. Any allocation so repurchased may be retained by the Issuer in a pool or resold to one or more Lenders.

During the Origination Period, a Lender, with the prior written consent of the Master Servicer after consultation with the Issuer, may transfer all or a portion of its Allocation to one or more other Lenders, for the purpose of ultimately fulfilling its obligation to the Issuer, complying with the requirements of this Article IV, or for such other reasonable purposes that shall be specified in writing in the Lender's request submitted to the Master Servicer. A Lender's request for consent to such transfer shall set forth the terms and conditions, amount, proposed transferee and include signatures of both the transferor and transferees, all of which must be acceptable to the Master Servicer. In no event may a Lender charge or receive any fee or remuneration for the Allocation being transferred, other than reimbursement for the pro rata portion of such Lender's Commitment Fee relating to the Allocation, or portion thereof, being transferred.

Lenders shall accept referrals from the Issuer and any Subsidiary so long as such Lenders have uncommitted Program Allocation available for spot loans. In the event the Issuer determines that a Lender has Program Allocation available but has refused to accept or process an application from a referral from the Issuer or any Subsidiary, the Issuer shall have the right to reallocate all or any part of such Lender's uncommitted Program Allocation. IN THE EVENT OF SUCH REALLOCATION, THE LENDER SHALL NOT BE ENTITLED TO ANY REIMBURSEMENT FOR ANY PORTION OF THE RELATED COMMITMENT FEE.

At the end of the Origination Period, the Issuer shall terminate any Allocation or portion thereof that is not then the subject of a Mortgage Loan submitted for Purchase. Nothing in this

Section 4.01 shall be construed to permit the origination or Purchase of any Mortgage Loan following the end of the Origination Period. The Issuer has reserved the right to extend the Origination Period; however, no assurance can be given that the Issuer will elect or be able to extend the Origination Period or that Lenders will be reimbursed for any portion of the Commitment Fee.

Lender shall originate Mortgage Loans and close and deliver such Mortgage Loans at such times as will enable the Servicer to Purchase such Mortgage Loans by the final Purchase Date during the Origination Period.

The Lender's Program Allocation designated for spot loans must be made available to applicants on a first-come, first-served basis. No portion of a spot allocation may be reserved for builders. Builders must exhaust their Builder Reservation before the Program Administrator will accept any loan reservations using the Lender's spot allocation. Misuse of spot allocation by a Lender will subject the Lender's Program Allocation to immediate repurchase by the Issuer.

The provisions of the respective Invitations to Originate Mortgage Loans and the Offers to Originate are incorporated herein by reference and are deemed to be a part of this Agreement; provided, however, that IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN PROVISIONS OF THE INVITATIONS TO ORIGINATE MORTGAGE LOANS AND THE OFFERS TO ORIGINATE AND THIS AGREEMENT, AS SUPPLEMENTED BY THE RESPECTIVE MOA SERIES SUPPLEMENT, THE PROVISIONS OF THIS AGREEMENT AS SO SUPPLEMENTED SHALL CONTROL.

SECTION 4.02. MORTGAGE LOAN TERMS. Mortgage Loans shall be made only to Eligible Persons and Families, as defined herein, for the purpose of providing financing for the purchase of a Single Family Residence, at an Acquisition Price not in excess of the Maximum Acquisition Price for such residence, and not for the purpose of refinancing any existing loan other than a construction period loan, bridge loan or similar temporary initial financing of 24 months or less. There shall be no minimum principal amount required for Mortgage Loans, and no application for a Mortgage Loan shall be rejected solely on the basis that the principal amount is too low.

The Servicer shall not be required to Purchase Mortgage Loans from any Lender which has not complied with the procedures set forth in the Lender Guide.

Each Mortgage Loan to be sold to the Servicer must be evidenced by a Mortgage Note secured by a first mortgage lien on the Single Family Residence acquired thereby and made substantially in accordance with Lender's then current underwriting policies and the then current underwriting policies of FHA, RD, VA or Fannie Mae, as applicable, and all other requirements established by this Agreement, the Lender's Guide and the then current criteria set forth in the GNMA Guide and the Fannie Mae Guides, and in any event subject to preliminary and final program compliance review by the Servicer. All Mortgage Loans shall be insured by FHA, guaranteed by RD or VA or be insured by a qualified private Mortgage Guaranty Insurance Provider, if required, as applicable. With respect to all FHA Mortgage Loans, the principal

amount of the Mortgage Loan cannot exceed the limits established from time to time by FHA. However, in no event may the initial aggregate principal amount of the Mortgage Loan (excluding financed FHA mortgage insurance premium and VA funding fee) or the Acquisition Price of the residence exceed the applicable Maximum Acquisition Price limits as established by the Issuer.

The maximum Mortgage Loan amount may not exceed amounts which conform to the eligibility and credit underwriting standards set forth herein and as required by FHA or VA, as applicable. Proceeds of the Mortgage Loans may not be used to acquire or replace any existing mortgage, except as stated above with respect to construction period loans, bridge loans or similar temporary initial financing of 24 months or less.

Each Mortgage Loan (i) shall bear interest at the rate per annum set forth in the respective MOA Series Supplement, as set forth in the respective Notice of Acceptance, unless the Mortgagor elects to enter into a Reduced Point Loan or an Assisted Loan as described below, (ii) shall provide for substantially level monthly payments of principal and interest due the first day of each month (which payments shall be accompanied by amounts for deposit in an escrow account to provide for timely payment of taxes and insurance), (iii) shall have an original term of not exceeding 360 months, (iv) shall be assumable only under the terms and conditions set forth in Section 4.17 herein, (v) shall comply in all respects with the Program Documents, the Lender's Guide, the GNMA Guide, the Fannie Mae Guides and FHA, RD or VA rules and regulations, as applicable, (vi) shall be in a principal amount not exceeding such amount as conforms to the eligibility and credit underwriting standards specified herein and the applicable limitations of FHA, RD or VA, as applicable, the Program Documents, the GNMA Guide and the Fannie Mae Guides, and (vii) shall be the subject of a mortgagee's title insurance policy. With respect to (iv) and (v), each Mortgage shall have attached to it written provisions as to assumption and/or acceleration in the form as set forth in the Lender Guide.

Each Mortgagor shall, to the extent set forth in the respective MOA Series Supplement, have the option of executing a Mortgage Loan under the Reduced Point Program or under the Assisted Loan Program.

Notices to Buyers/Veterans as set forth in the Lender Guide must be used in connection with the origination of all mortgage loans. A copy of the executed Notice must accompany the application for insurance or guaranty and be included in the Mortgage File.

With respect to a unit of a condominium or a PUD, such unit must be acceptable to FHA, RD or VA, as applicable, and must meet applicable GNMA and Fannie Mae standards. There is no restriction on the percentage of condominium or PUD Mortgage Loans that a Lender may originate.

With respect to Manufactured Homes, each such home must meet GNMA and Fannie Mae standards and be acceptable to FHA, RD or VA, as applicable.

SECTION 4.03. PROCESSING, ORIGATION FEES/DISCOUNT AND CLOSING COSTS. In connection with each Mortgage Loan, the Lender may, as permitted by Fannie Mae, FHA, RD or VA, charge and collect from the Mortgagor or seller of a Single Family Residence at the time of closing of the Mortgage Loan an Origination Fee, plus the Discount, (expressed as a percentage of the principal amount of such Mortgage Loan) set forth in the respective MOA Series Supplement, except that the Origination Fee shall not in any event exceed the applicable FHA, RD or VA limits.

The HUD-1 Settlement Statement and related loan documents shall separately and distinctly disclose the Origination Fee and shall clearly reflect that the Origination Fee (including any portion thereof paid out of the Servicer Premium) does not exceed the amounts set forth in the respective MOA Series Supplement. In addition, Lender may collect at the time of loan application an application fee of not more than the costs of the appraisal and the credit report (any moneys remaining out of the application fee must be refunded or applied to pay closing costs), which need not be credited against any other closing costs or fees (this fee may be charged to the Mortgagor or Seller to the extent permitted by FHA, RD or VA regulations), plus, at the time of closing, from the buyer or seller, from the Mortgagor or Seller as permitted by FHA, RD or VA, as applicable, all reasonable and customary out-of-pocket costs permitted by law paid or incurred by Lender, including but not limited to notary fees, settlement fees, document preparation fees, hazard, mortgage or life insurance premiums, survey, title insurance premiums, appraisal fees, attorneys' fees, recording or registration taxes and charges, prepaid escrow deposits and paid by the Mortgagor or Seller and similar charges. Each Lender may charge a Program Participation Fee as permitted by the respective MOA Series Supplement, due at closing, for the review of the loan application for compliance with applicable program requirements. Documentary and intangible taxes on the mortgage or note are not required due to the tax-exempt nature of the Program. Such fees and expenses may be collected only once in connection with the origination of the Mortgage Loan and shall not exceed limits established from time to time by federal law or State law and in any event may not exceed like amounts charged in such area in cases where owner financing is not provided through tax-exempt revenue bonds. The Lender may collect from the seller of a Single Family Residence the portion, if any, of the Origination Fee that may not be collected from a Mortgagor due to federal or State law restrictions.

SECTION 4.04. VERIFICATION CONCERNING MORTGAGOR'S FEDERAL INCOME TAX RETURNS. Prior to Closing, Lender will obtain from each potential Mortgagor copies of his or her signed Federal Income Tax Returns (whether long Form 1040, Form 1040EZ or short Form 1040A) for the three calendar years prior to origination of the Mortgage Loan, which returns must indicate that, during such three year period, the Mortgagor did not claim deductions for taxes or interest on indebtedness with respect to real property constituting his or her principal residence. If a potential Mortgagor is unable to furnish copies of such returns, Lender shall obtain copies of such returns from the appropriate Service Center of the Internal Revenue Service or a statement that the Mortgagor filed such returns on Form 1040A or Form 1040EZ, by causing the potential Mortgagor to request the same in writing on Internal Revenue Service Form 4506.

In lieu of the foregoing, the Mortgagor may indicate in the appropriate space in the Mortgagor's Affidavit that the Mortgagor was not required to file such return during any of the preceding 3 years for which such return is unavailable. Lender shall verify from the returns or information obtained from the Internal Revenue Service that the potential Mortgagor has not claimed deductions for real estate or other taxes or interest on indebtedness with respect to real property constituting a principal residence in any of such three previous years.

SECTION 4.05. ACQUISITION PRICE OF A RESIDENCE. The Acquisition Price of a Single Family Residence may not exceed the Maximum Acquisition Price for such residence. The Acquisition Price of a Single Family Residence is the cost of acquiring the residence from the seller as a completed residential unit. The Acquisition Price includes the following:

(a) All amounts paid, either in cash or in kind, by the purchaser (or a related party or for the benefit of the purchaser) to the seller (or a related party or for the benefit of the seller) as consideration for the residence. A residence includes property that is a fixture under local law, such as light fixtures or wall-to-wall carpeting. Thus, if the purchaser purports separately to purchase such items, the cost of those items must be included in the cost of acquisition. On the other hand, property which is not considered a fixture under local law, such as appliances, is not considered part of a residence and the cost of acquiring such items does not have to be included in the cost of acquiring the residence (unless the acquisition costs of such items exceeds their fair market value, in which case the amount of the excess must be included in the Acquisition Cost of the residence). Thus, if the purchaser agrees to purchase the refrigerator, washer and dryer from the seller for \$1,000 more than the fair market value of such items, such \$1,000 must be included in the Acquisition Cost. Similarly, if as part of the purchase of the residence the purchaser agrees to pay or assume liability for a debt of the seller, the amount of such debt must be included as part of the cost of acquiring the residence.

(b) If a residence is incomplete, the reasonable cost of completing the residence whether or not the cost of completing construction is to be financed with proceeds of the Mortgage Loan. Where a Mortgagor purchases a building which is so incomplete that occupancy of the building is not permitted under local law, the Acquisition Cost includes the cost of completing the building so that occupancy of the building is permitted. Thus, if a builder normally sells residences with an uncompleted recreation room but a completed third floor and a garage, but is selling a residence with no garage and an uncompleted recreation room and third floor to a Mortgagor, the cost of completion of the third floor (but not the recreation room) and the cost of addition of a garage must be included in the Acquisition Cost of the residence. On the other hand, if a Mortgagor purchases an existing home and then spends \$3,000 to paint it, refinish the floors and make minor repairs, such \$3,000 is not included in the Acquisition Cost of the residence.

(c) Where a residence is purchased subject to a ground rent, the capitalized value of the ground rent. Such value shall be calculated using a discount rate equal to the yield on the Bonds calculated in accordance with Section 148 of the Code.

The Acquisition Cost does not include the following:

(a) The usual and reasonable settlement or financing costs. Settlement costs include titling and transfer costs, title insurance, survey fees or other similar costs. Financing costs include credit reference fees, legal fees, appraisal expenses, "points" which are paid by the buyer (but not the seller, even though borne by the Mortgagor through a higher Acquisition Price) or other costs of financing the residence. However, such amounts will be excluded in determining Acquisition Cost only to the extent that the amounts do not exceed the usual and reasonable costs which would be paid by the buyer where financing is not provided through a qualified mortgage bond program. For example, if the purchaser agrees to pay to the seller more than a pro rata share of property taxes, such excess shall be treated as part of the Acquisition Price of a residence.

(b) The value of services performed by the Mortgagor or members of the Mortgagor's family in completing the residence. For purposes of the preceding sentence, the family of an individual shall include only the individual's brothers and sisters (whether by the whole or half blood), spouse, ancestors and lineal descendants. For example, where the Mortgagor builds a home alone or with the help of family members, the Acquisition Price includes the cost of materials provided and work performed by subcontractors (whether or not related to the Mortgagor) but does not include the imputed cost of any labor actually performed by the Mortgagor or a member of the Mortgagor's family in constructing the residence. Similarly, where the Mortgagor purchases an incomplete residence the Acquisition Cost includes the cost of material and labor paid by the Mortgagor to complete the residence but does not include the imputed value of the Mortgagor's labor or the labor of the Mortgagor's family in completing the residence.

(c) The cost of land which has been owned by the Mortgagor for at least two years prior to the date on which construction of the residence begins.

SECTION 4.06. FIRST TIME HOMEBUYER. Each person executing the Mortgage (not the Mortgage Note) and to whom financing is provided by the Mortgage Note must be a First Time Homebuyer (except with respect to Qualified Rehabilitation Loans). Each such person must not have had a present ownership interest in a principal residence at any time during the three-year period prior to the date on which the Mortgage is executed. For purposes of the preceding sentence, the Mortgagor's interest in the Single Family Residence with respect to which the financing is being provided is not taken into account.

In the event that there is more than one Mortgagor signing the Mortgage with respect to a particular residence, each of such Mortgagors must be a First Time Homebuyer. A person who is liable under the Mortgage Note (i.e. a cosigner) secured by the Mortgage but who does not have a present ownership interest in the residence subject to the Mortgage need not meet the three-year requirement. For example, where a parent of a home purchaser cosigns the Mortgage Note for a child but the parent takes no interest in the Single Family Residence, it is not necessary that the parent meet the three-year requirement since the parent is not a Mortgagor of the residence. A cosigner/guarantor may not be used to qualify a prospective Mortgagor for

credit underwriting purposes; such cosigner/guarantor shall only provide additional security for the Mortgage Loan.

Examples of interests which constitute present ownership interests (and thus would result in a potential home purchaser failing to meet the First Time Homebuyer requirements) are the following:

- (a) A fee simple interest;
- (b) A joint tenancy, tenancy in common, or tenancy by the entirety;
- (c) The interest of a tenant-shareholder in a cooperative;
- (d) A life estate;
- (e) A land contract or contract for deed (i.e., a contract pursuant to which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time);
- (f) An interest held in trust for the Mortgagor (whether or not created by the Mortgagor) that would constitute a present ownership interest if held directly by the Mortgagor; and
- (g) An interest in a mobile home that is required to be taxed as real property under State law (i.e., an interest in a mobile home permanently affixed to real property).

Examples of interest which do not constitute present ownership interests (and thus would not result in potential home purchasers failing to meet the First Time Homebuyer requirements) are the following:

- (a) A remainder interest;
- (b) A lease with or without an option to purchase;
- (c) A mere expectancy to inherit an interest in a principal residence;
- (d) The interest that a purchaser of a residence acquires on the execution of a purchase contract;
- (e) An interest in other than a principal residence during the previous three years; and
- (f) An interest in a mobile home that is not required to be taxed as real property under State law (i.e., an interest in a mobile home that is not permanently affixed to real property).

SECTION 4.07. SECOND MORTGAGE PROGRAM.

Lender hereby acknowledges that the Issuer may establish a program whereby funds may be made available to originate second lien mortgage loans or other grant programs to assist qualifying applicants in Brevard County and Clay County with down payments, closing costs and necessary minor repairs to the Single Family Residence associated with Mortgage Loans originated pursuant to this Agreement. Such second mortgage loans under the Issuer's program will be payable in full upon sale, transfer or refinancing of the Single Family Residence or upon payment of the remaining balance of the Mortgage Loan, and shall be evidenced by a promissory note and secured by a mortgage in the forms set forth in the Program Invitation and Guidelines and shall meet all requirements of FHA and Fannie Mae and any homebuyer assistance grant program shall be evidenced as required by the terms of such grant program. The Trustee shall have no responsibility or duties with respect to any second mortgage program.

Such second mortgage loans will have such terms and will bear interest at the rate set forth in the applicable Program Supplement and are payable in full upon sale, transfer or refinancing of the Single Family Residence or upon payment of the remaining balance of the Mortgage Loan, and shall be evidenced by a promissory note and secured by a mortgage in the forms provided by the Issuer. Program guidelines for the Second Mortgage Program are further set forth in the Program Invitation & Guidelines. Such second mortgage shall be recorded in the official Land Records of Brevard County or Clay County, as applicable, such that it constitutes a valid second lien upon the Single Family Residence. A default under such second mortgage shall not cause a default or acceleration under the Mortgage Loan, unless required by FHA, RD, VA, Fannie Mae or GNMA.

Once Lender has completed the application review process and has determined that the borrower qualifies for a Mortgage Loan under the Program and the Mortgagor wishes to participate in the second mortgage program, the Lender shall reserve the funds with the Servicer/Program Administrator. At closing the Lender advances the funds for the Second Mortgage and is reimbursed by the Servicer upon the purchase of the Second Mortgage Loans. In the event the Mortgage Loan is rejected by the Servicer, the Issuer agrees to take all necessary actions to assign its rights to the Second Mortgage Loan to the original lender.

In addition to the execution of first mortgage documents at closing, the Lender (or a closing agent) shall have the second mortgage and second mortgage note executed in favor of the Issuer or the Housing Finance Authority of Clay County, Florida, as applicable. Such second mortgage and note are to be considered one instrument for recording. A copy of the executed second mortgage and note should be provided to the Lender for inclusion in the package to the Servicer. The Lender (or closing agent) shall record the second mortgage immediately following recordation of the first mortgage. Instructions should be given to the recorder at the recording office to enter the book and page number of the first mortgage onto the first page of the second mortgage.

When the Lender submits the closed Mortgage Loan documents to the Servicer for funding, a copy of the executed second mortgage and second mortgage note for recording should

be included in the package. The mortgagee title insurance policy, when issued, must insure the second mortgage as a valid lien against the property subordinate only to the first Mortgage.

Lenders must advise all eligible borrowers of the availability of the second mortgage program in Brevard County and Clay County and shall not refuse to originate an otherwise qualified Mortgage Loan on the basis of the applicant's participation in the second mortgage program. The Trustee shall have no responsibilities or duties with respect to any second mortgage program except as specifically agreed to by the Trustee.

SECTION 4.08. SUBMISSION OF COMPLIANCE FILES; PURCHASE.

(a) Lender shall submit to the Servicer/Program Administrator, with respect to each Mortgage Loan, the documents described in the Lender's Guide. Lender shall pay all costs of preparing and furnishing such files to the Servicer/Program Administrator.

(b) Prior to the delivery of the Mortgage File to the Servicer in connection with the purchase of a Mortgage Loan, the Lender shall record or file for record an Assignment of Mortgage in all offices necessary to perfect the assignment of the Mortgage on behalf of the Servicer under the laws of the State. All notices to insurers under any insurance policies maintained with respect to a Mortgage Loan for the assignment to Servicer of the servicing of such Mortgage Loan shall be given by each Lender prior to purchase by the Servicer. Immediately upon Purchase, written notice shall be given to the Mortgagor that servicing has been assigned to the Servicer and that future payments on the Mortgage Loan are to be made to the Servicer. Lender shall also provide to the Servicer or the Issuer such other reports or information regarding the Mortgage Loan being sold by such Lender as may be reasonably requested by the Servicer or the Issuer.

(c) Notwithstanding the delivery procedures of this Section 4.08, the Servicer may, in its discretion, accept Mortgage Files for Purchase which contain certified copies of the Mortgage and the Assignment of Mortgage in lieu of the originals of same and valid commitment for the issuance of a mortgagee's title insurance policy in lieu of a title insurance policy and may approve the pertinent Mortgage Loan for Purchase without such originals or certificate if the Mortgage File is otherwise complete, all other Mortgage File documents are present and the Mortgage Loan is subject in all respects to all terms and conditions of this Agreement. The original Mortgage Note, original recorded Mortgage and original recorded Assignment of Mortgage, the title insurance policy and FHA Mortgage Insurance Certificate or VA Loan Guaranty Certificate must be submitted to the Servicer within ninety (90) days from the Purchase Date of the subject Mortgage Loan. Failure to provide documentation within this timeframe may result in penalties or possible repurchase of the loan. The Servicer shall, upon receipt of such originals and certified copies, if applicable, file copies of same with the related Mortgage File, subject to the requirements under the Custodial Agreement.

(d) The Purchase of Mortgage Loans hereunder shall take place on each Purchase Date, pursuant to the schedule of Purchase Dates established by the Servicer. Only Mortgage Loans submitted in accordance with this Section 4.08 and which conform to the requirements of

this Agreement will be Purchased by the Servicer on any Purchase Date. All amounts collected by the Lender representing escrow payments for insurance and taxes with respect to a Mortgage Loan shall be held in escrow and remitted to the Servicer not later than the Purchase Date or as directed by the Servicer. All notices to FHA or VA which are required to be given under applicable FHA or VA requirements shall be given by the Lender prior to Purchase.

(e) The Servicer shall have no obligation to purchase Mortgage Loans unless loans are eligible hereunder and conform to all requirements of this Agreement, including but not limited to bearing interest at the rate specified in Section 4.02 hereof on the date of such purchase.

(f) The Servicer shall not be obligated to Purchase any Mortgage Loan unless such Mortgage Loan has been received by the Servicer for purchase not later than ten (10) days following the Closing date of the Mortgage, or such later date as may be approved by the Servicer for good cause.

(g) Lender shall deliver the original executed Mortgage, Mortgage Note and Assignment of Mortgage to the Servicer in the following manner: (i) the Mortgage Note shall bear the endorsement set forth on the back thereof "Payable, without recourse, to the order of U.S. Bank N.A.," and be executed by a duly authorized officer of the Lender; (ii) the related Mortgage, together with the Assignment of Mortgage or a true and correct copy of such executed Mortgage and Assignment of Mortgage, and assurance that the originals thereof have been delivered for recording in the office of the Clerk of the applicable County in the Eligible Loan Area, to constitute the Servicer's ownership of the Mortgage and Mortgage Note. Lender shall further perform any other action or deed as the Servicer may direct to cause the proper filing or recording of the Mortgage in such other places and in such other manner, form or condition satisfactory to the Servicer as is necessary to perfect the Servicer's security interest in each such Mortgage Note and related Mortgage and in the respective Single Family Residence. The delivery of the Mortgage Note and related Mortgage shall be accompanied with or shall reflect that all applicable documentary stamp and other excise taxes, all intangible taxes (unless not required due to the tax-exempt nature of this Program) and all recording fees have been paid.

SECTION 4.09. PURCHASE OF MORTGAGE LOANS. For each Mortgage Loan originated by Lender which is in compliance with all the terms and conditions of this Agreement, for which the Mortgage File and other documents have been prepared and presented to the Servicer in the form required hereby, and for which Servicer certifies that all of the other conditions of this Agreement have been fulfilled, the Servicer shall pay to Lender, under the terms and conditions specified herein and in the Offer to Originate, on each Purchase Date for each Mortgage Loan a purchase price equal to the Mortgage Loan Purchase Price (which includes any applicable Servicer Premium) plus accrued interest thereon at the rate stated in the Mortgage Note to the date of purchase (less any unearned prepaid interest).

Lender acknowledges that, as a condition of the Purchase of the Mortgage Loan by Servicer, the Mortgage Loan shall (i) be current in payments of principal and interest, taxes and insurance, if required, and (ii) be in compliance with the requirements of FHA or VA, as

applicable, the GNMA Guide, the Fannie Mae Guides, the Lender's Guide and this Agreement. Prior to Purchase of a Mortgage Loan by the Servicer, the Lender shall service the Mortgage Loan, which servicing includes posting payments and paying taxes.

SECTION 4.10. RESERVED.

SECTION 4.11. DEFECTIVE DOCUMENTS AND NON-QUALIFYING MORTGAGE LOANS; REPURCHASE OF LOANS BY LENDER.

(a) Lender hereby agrees to repurchase any Mortgage Loan sold to the U. S. Bank Home Mortgage-MRBP, the Master Servicer, at any time during the life of such Mortgage Loan, upon the occurrence of any of the following events:

- (i) Master Servicer has evidence of any violations of any rule, regulation, or requirement of the applicable agencies i.e. Federal Housing Administration (FHA), Veterans Administration (VA), Rural Housing (RHS), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (Fannie Mae), Government National Mortgage Association (GNMA) or any other investor as may be identified in the Bond program, or specific guidelines as outlined in the Bond documents/program manuals;
- (ii) Any false statement, misstatement, or act of omission of material fact contained in the Mortgage Loan documentation resulting from the Lender's negligence or failure to exercise due diligence as disclosed by actual inspection by the Master Servicer or its representative, or otherwise disclosed; or
- (iii) Lender fails to obtain FHA insurance, VA or RHS guaranty, private mortgage insurance, or if such insurance or guaranty lapses or for any reason becomes unavailable, as a result of any negligent act or omission by the Lender, or the failure by the Lender to obtain such insurance or guaranty within ninety (90) days from the date of purchase; or
- (iv) Master Servicer is required to repurchase any Loan sold by it to GNMA, Fannie Mae, FHLMC or any other investor, by reason of a deficiency in or omission with respect to the Mortgage Loan documents, instruments, and agreements, pertaining to any Mortgage Loan; or
- (v) Should the Master Servicer have evidence of any representation or warranty made by the Lender under this Agreement or Bond Program Documents with respect to any Mortgage Loan be, in whole or in part and with or without knowledge of the Lender, false at the time when made by Lender or become false upon the occurrence of subsequent events; or
- (vi) Any material fraud, misrepresentation or act of omission with respect to the information submitted on a particular Mortgage Loan is determined to exist

by the Master Servicer or another investor. This includes, but is not limited to, Mortgagor or other third party fraud or misrepresentation, and any misrepresentation of Mortgagor's income, funds on deposit, or employment, or of the occupancy status of the Mortgaged Property; or

- (vii) Participating Lender's breach of any covenant or obligation to the Master Servicer with respect to the Mortgage Loan under this Agreement, Bond Documents or Bond Program Documents.

The repurchase price for any Mortgage Loan that the Lender is required to repurchase from the Master Servicer shall be an amount equal to its then unpaid principal balance of the Mortgage Loan on the date of repurchase, plus accrued interest, any servicing release premium paid, and direct expenses (including attorney's fees) incurred by the Master Servicer for any actions taken by it concerning, as a result of, or in connection with, any of the events or circumstances set forth herein as cause for repurchase. Master Servicer's exercise of its right to have the Lender repurchase any Mortgage Loan hereunder shall be in addition to, and not in lieu of, any other rights or remedies which Master Servicer may have against the Lender hereunder or under applicable law.

(b) The Lender shall protect, indemnify, and hold the Master Servicer harmless from and in respect to, any and all losses, liabilities, reasonable costs, and expenses (including attorneys' fees) that may be incurred by Master Servicer with respect to, or proximately resulting from any breach of, any representation, warranty, or covenant of the Lender hereunder. Master Servicer shall be entitled to rely upon the Lender as assembler and preparer of all Mortgage Loan documents, and is under no duty whatsoever to investigate or confirm any of the information set forth therein as to its honesty, accuracy, or completeness. Lender hereby agrees to indemnify and hold the Master Servicer harmless from any claim, loss or other damage to the Master Servicer including reasonable attorneys fees resulting in whole or in part from any inaccuracy or incompleteness in the Mortgage Loan documents or any act or omission by the Lender, its agents and employees, including but not limited to failure to comply with applicable state, federal and local statutes or regulations. To the extent the Lender, its agents or employees, commits an actual wrong, or makes some error or omission in the preparation of any Mortgage Loan or its documents and as a result thereof, and based thereon, the Master Servicer commits an act or omission for which it becomes liable to the Mortgage(s) or any third party and/or a claim or cause of action is instituted against the Master Servicer, the Lender shall and hereby agrees to indemnify and hold Master Servicer harmless from any such loss or damage, including reasonable attorneys fees, resulting therefrom.

- (i) If any Mortgage Loan is prepaid in full within three (3) months following the date of purchase by the Master Servicer, from the Lender, the Lender shall refund to the Master Servicer all service release premiums received from the Master Servicer with respect to that Mortgage Loan.
- (ii) If any Mortgage Loan, underwritten by the Lender, becomes delinquent for any of the first three (3) scheduled monthly payments due the Master

Servicer, and is not brought current by the borrower within 90 days of delinquency, the Lender shall refund to the Master Servicer all service release premiums received from the Master Servicer with respect to that Mortgage Loan plus an additional fee of \$1,000 on Conventional loans and \$3,000 on Government loans (FHA, VA and RD).

If any document or documents constituting a part of the original Mortgage File are defective in any material respect, or if it is determined that a Mortgage Loan is a Non-Qualifying Mortgage Loan (as defined below), the Issuer, if it has knowledge thereof, shall immediately notify the Servicer and the Servicer, after notice from the Issuer, or if the Servicer otherwise has knowledge thereof, shall immediately notify the Lender specifying the defect or defects in question and the Lender shall cure the defect within a period of 30 days from the earlier of the time Lender discovers such defect or Lender receives notice of such defect from the Issuer or the Servicer (the "Cure Period").

Lender hereby covenants and agrees that, if any material defect cannot be cured within the Cure Period, Lender will, not later than 30 days after expiration of the Cure Period, repurchase with immediately available moneys the related Mortgage Loan from the Servicer at a price equal to (i) 100.00% of the principal remaining unpaid on such Mortgage Loan, plus (ii) accrued and unpaid interest thereon to the end of the month in which the repurchase occurs, plus (iii) the pro rata portion of the commitment fee paid to GNMA or Fannie Mae with respect thereto and any servicing acquisition fee paid by the Servicer (including the Servicer Premium), (iv) any fees charged by GNMA or Fannie Mae for the repurchase of such Mortgage Loan out of the Pool, plus (v) if such repurchase is made necessary by the willful misfeasance or bad faith on the part of Lender or by reason of Lender's reckless disregard of its obligations hereunder, an amount equal to 3% of the unpaid principal amount of such Mortgage Loan. The purchase price for the repurchased Mortgage Loan, plus any additional amount due under (iv) above, shall be delivered by Lender to the Servicer, whereupon the Servicer shall cause the release of the related Mortgage Note and Mortgage to Lender and cause the reassignment of the Mortgage to Lender.

With respect to Non-Qualifying Mortgage Loans, Lender hereby covenants and agrees that if any Mortgage Loan is determined by Servicer to be a Non-Qualifying Mortgage Loan and the defect causing the same cannot be cured, Lender will repurchase or will cooperate fully with the Servicer in a foreclosure action with respect to such Mortgage Loan (if possible).

As used herein, the term "Non-Qualifying Mortgage Loan" shall mean and include any Mortgage Loan purchased hereunder with respect to which:

(a) The Lender fails to deliver to the Servicer all documents of the Mortgage File (as set forth in the Lender Guide) on a timely basis, or the Servicer determines that such documentation for Mortgage Loans do not conform to the requirements of the Program, the GNMA Guide or the Fannie Mae Guides;

(b) Mortgagors fail to occupy the related Single Family Residence as a principal residence within 60 days after execution of the related Mortgage;

(c) The related residence is not a Single Family Residence as defined herein or more than 15 percent of the total area of the residence will be used in a trade or business including child care services on a regular basis for compensation, as investment or rental property or as a recreational home;

(d) The Acquisition Price of the related residence exceeded the Maximum Acquisition Price;

(e) Mortgagors are not First Time Homebuyers, unless the Mortgage Loan is a Qualified Rehabilitation Loan or located in a Targeted Area;

(f) The Current Annual Family Income with respect to the Mortgagor(s) exceeds the Maximum Current Annual Family Income;

(g) The Mortgage Loan fails to comply with any required affidavit and certification;

(h) Any statements contained in any of the Affidavits of Mortgagor, Seller or Lender are determined to be incorrect, untrue, misleading or fraudulent;

(i) The Mortgage Loan is a refinancing of an existing loan other than a construction period loan, bridge loan or similar temporary financing of not more than 24 months or a Qualified Rehabilitation Loan;

(j) The Mortgage, with the knowledge of the Lender, is assumed in violation of the provisions of Section 4.17 hereof or the applicable assumability rider attached to a Mortgage Loan is not approved;

(k) The Mortgagor fails to make the first payment due under the Mortgage Loan, or the first payment due to the Servicer following Purchase of such Mortgage Loan; or

(l) Mortgagors had a reservation under the 2001 Program.

SECTION 4.12. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LENDER CONCERNING MORTGAGE LOANS. Lender hereby represents and warrants to, and covenants with, the Issuer, the Trustee and the Master Servicer as to each Mortgage Loan delivered for Purchase that:

(a) The information set forth in each Mortgage File will be true and correct at the Purchase Date thereof, each Mortgage Loan shall have been closed after the delivery of this Agreement, and each Mortgage Loan satisfies all applicable requirements set forth in this Agreement, the Lender's Guide, the GNMA Guide or the Fannie Mae Guides, as applicable, including full disbursement of Mortgage Loan proceeds as reflected in the HUD-1 statement;

(b) Each Mortgage Loan will be made by Lender at par with Origination Fees, Discount Fees, and processing fees not to exceed those set forth in Section 4.03 hereof, will be

secured by a Mortgage which shall constitute a first mortgage lien on a Single Family Residence occupied by the Mortgagor as such Mortgagor's principal place of residence (not more than 15 percent of the total area of the residence will be used in a trade or business including child care services on a regular basis for compensation) and not an investment, rental property or a recreational home and will be located within the boundaries of the applicable County within the Eligible Loan Area, will be substantially in accordance with then current underwriting policies of Lender, the underwriting standards set forth in the GNMA Guide or the Fannie Mae Guides, as applicable, and the requirements established hereby, subject to acceptance of FHA or VA, as applicable, under the FHA Insurance or VA Guaranty will be made for the purpose of purchasing or providing permanent financing for such residence and not for the purpose of refinancing any existing loan, other than a construction period loan, bridge loan or similar temporary initial financing of 24 months or less, will have substantially level monthly debt service payments (such payments shall include amounts for deposit in the Escrow Account established pursuant to the Program Administration and Servicing Agreement to provide for the timely payment of taxes, insurance and similar payments), will provide for the final payment of the balance of all principal and interest 30 years from the date of first payment, will be made to an Eligible Person or Family, as Mortgagor, and will not be assumable except as provided in Section 4.17;

(c) The principal amount of a Mortgage Loan will not exceed any applicable loan-to-value limits as established by FHA or VA, as applicable, GNMA or Fannie Mae, as applicable;

(d) As of the Purchase Date, each Mortgage Loan will be secured by the Mortgage as required under the GNMA Guide or Fannie Mae Guides, as applicable, which will constitute a valid first lien on the property financed by the Mortgage Loan, subject only to (a) the lien of current (accrued but not yet due and payable) real property taxes and assessments, (b) building and use restrictions not accompanied by title reverter or forfeiture provisions on account of violation and that are not and will not be violated by occupancy and use of the improvements on the property and the property itself for the residential purposes for which the improvements were designed and constructed, (c) rights-of-way and easements for roads, streets, utilities and other similar installations, whether or not of record, provided that such rights-of-way and easements are either of the kind (including location, area occupied, and nature of the installation thereon) acceptable to commercial lending institutions generally, or have been taken into account and reflected in the appraisal made (and correspondingly in the loan amount) in connection with the origination of the Mortgage Loan, and (d) other defects, irregularities, encumbrances, easements, mineral reservations and conveyances and clouds on title that are acceptable to commercial lending institutions generally; provided, however, that none of the foregoing liens or encumbrances shall be permitted if in the opinion of recognized Florida counsel acceptable to the Servicer such lien(s) or encumbrance(s) individually or in the aggregate materially impairs the security of the Mortgage;

(e) All Mortgage Loans shall be insured by FHA or guaranteed by RD or VA or insured with private mortgage insurance (if so required), as applicable, and shall not exceed the limits established from time to time by FHA or VA, as applicable;

(f) As of the Purchase Date, Lender shall have in its possession an American Land Title Association approved mortgagee title insurance policy, or a commitment therefor (in either case, with the title insurance premium paid, or, if unpaid, with the Lender having the money for payment of the premium and assuming the responsibility for payment), with respect to the property financed by the Mortgage Loan and secured by the Mortgage, in an amount at least equal to the outstanding principal amount of the Mortgage Loan and the second mortgage amount, if any, naming Lender and its successors and assigns as insureds, and insuring that the Mortgage constitutes a first lien on such property, subject only to the exceptions described in subsection (d) and subject to matters reflected in the survey;

(g) As of the Purchase Date, the improvements upon the real property subject to the Mortgage Loan will be covered by a valid and subsisting Standard Hazard Insurance Policy and Flood Insurance Policy, and condominium insurance as applicable and as required by the GNMA Guide or the Fannie Mae Guides, as applicable;

(h) The terms, covenants, and conditions of the Mortgage Loan shall not have been and shall not prior to the Purchase be waived, altered, impaired or modified in any respect which would materially affect the value, validity, enforceability or prompt payment of the Mortgage Loan, or the enforceability of the lien securing the Mortgage Loan, except for such waivers, alterations and the like accomplished by Lender prior to the Purchase Date acceptable to GNMA pursuant to the GNMA Guide or to Fannie Mae pursuant to the Fannie Mae Guides;

(i) As of the Purchase Date, the Mortgage Loan shall be current as to payments of principal, interest, taxes and insurance due and, there shall be no delinquent tax or delinquent assessment lien against the property financed by the Mortgage Loan unless allowed by the GNMA Guide or the Fannie Mae Guides, as applicable;

(j) As of the Purchase Date, Lender shall not have done any act to create an offset, defense or counterclaim to the Mortgage Loan, including the obligation of the Mortgagor to pay the unpaid principal of and interest on the Mortgage Loan unless allowed by the GNMA Guide or the Fannie Mae Guides, as applicable;

(k) Each Mortgage shall be filed and recorded in the public records of the County in which the Single Family Residence is located, in the office of the Clerk of the Circuit Court of the applicable County within the Eligible Loan Area, and any different or other recording that might hereafter be required by the laws of the State to perfect the lien of real estate mortgages against the adverse or competing claim of third parties by giving public notice thereof also shall have been accomplished as required by the GNMA Guide or the Fannie Mae Guides, as applicable;

(l) As of the Purchase Date, as to each Mortgage, there shall be no mechanics', laborers' or materialmen's liens or claims therefor outstanding for work, labor, or materials affecting the property encumbered by the Mortgage securing the Mortgage Loan that are or might be or become liens prior to, or equal with, the lien of the Mortgage, unless the title

insurance specified in Section 4.12(f) insures against such risks or such risks are otherwise permitted by the GNMA Guide or the Fannie Mae Guides, as applicable;

(m) To the best knowledge of Lender, the physical property financed or improved by the Mortgage Loan shall be free of material damage and shall be in general good repair on the Purchase Date;

(n) Each Mortgage Loan, at the time it shall have been made, shall have conformed to all disclosures required to be made by the Real Estate Settlement Procedures Act and the Federal Truth-in Lending Act and all other applicable State and federal laws and regulations;

(o) Each Mortgage Loan at the time it shall have been made shall have complied with applicable State and federal usury laws;

(p) To the best knowledge of Lender, as of the Purchase Date the Mortgagor of a Mortgage Loan shall not have conveyed such Mortgagor's right, title to or interest in the property to any third party;

(q) As of the Purchase Date, Lender has no knowledge of any facts or circumstances, economic or otherwise, which may have an adverse effect on the credit of any Mortgagor, the prospect of prompt payment of any Mortgage Loan or the value of any security therefor;

(r) Lender has reviewed applicable credit reports and related documents required in connection with any application by the potential Mortgagor to assure itself, prior to approving such application, that such potential Mortgagor has the capacity to repay the Mortgage Loan;

(s) As of the Purchase Date, Lender has no knowledge of any circumstances or conditions with respect to the Mortgagor, the Single Family Residence, the Mortgage Loan or any related document that could reasonably be expected to cause prudent private investors in the secondary market to regard the Mortgage Loan as an unacceptable investment, or cause the Mortgage Loan to become delinquent or to adversely affect the value or the marketability of the Mortgage Loan, and Lender has no knowledge of any circumstances which would cause the invalidation or cancellation of the FHA Insurance or VA Guaranty of the Mortgage;

(t) As of the Purchase Date, the Mortgagor shall have agreed to make payments on the Mortgage Loan that are in accordance with this Agreement and the Program;

(u) As of the Purchase Date, Lender has no knowledge or other reason to believe that any of the representations and statements contained in the affidavits of the Seller, the Mortgagor and the Lender are not true and correct;

(v) Each Mortgage and Assignment of Mortgage to Servicer shall have been filed and properly recorded prior to the Purchase of the related Mortgage Loan, and any different or other recording that might hereafter be required by laws of the State to perfecting the lien of real estate mortgages against the adverse or competing claims of third parties by giving public notice thereof shall also have been accomplished; and

(w) To the best knowledge of Lender, after the exercise of due diligence, each Mortgage Loan shall be in compliance with the requirements of Section 143 or Section 148 of the Code and the Program.

It is understood and agreed that the representations, warranties and covenants set forth in this Section shall survive the sale of the Mortgage Loans by Lender to the Servicer and that the representations, warranties and covenants shall inure to the benefit of the transferees and assigns of the Servicer which, under the Indenture, include GNMA or Fannie Mae, the Trustee, the Issuer and the Bondholders. Upon discovery by Lender, the Trustee, GNMA or Fannie Mae, Servicer or Issuer of a breach of any of the foregoing representations, warranties and covenants which materially and adversely affects the value or eligibility for Purchase hereunder of any Mortgage Loan, the party discovering such breach shall give prompt written notice to the others. Within 30 days of its discovery or its receipt of notice of breach, Lender shall cure such breach in all material respects or shall purchase or foreclose the Mortgage Loan in the manner and at the price set forth in Section 4.11 hereof. It is understood and agreed that the obligation of Lender to purchase the Mortgage Loan as to which a breach has occurred and is continuing shall constitute the sole remedy respecting such breach available to the Servicer, the Issuer and the Trustee where Lender has acted in good faith.

SECTION 4.13. PROCEEDS OF COMMITMENT FEE. The Commitment Fee submitted to the Trustee with the Offer to Originate in the form of a certified or cashier's check or wire transfer shall be held by Trustee and applied in accordance with the terms of the Indenture.

SECTION 4.14. PROHIBITION OF DISCRIMINATION. Lender will consider all applications in the order in which they are received, on a fair and equal basis, will not arbitrarily reject a Mortgage Loan application because of the location (other than Eligible Loan Area limitations), and/or age of the property, and will not, in the case of a proposed Mortgagor, arbitrarily vary the terms of a Mortgage Loan or the application procedures therefor or reject a Mortgage Loan applicant because of the race, color, religion, national origin, physical handicap, age, sex or marital status of such applicant, military status, or the applicant's participation in any second mortgage program; provided, however, that a Lender may refuse to accept applications for Mortgage Loans to refinance construction loans if Lender desires and intends to make no such loans under this Agreement.

No Lender shall enter into any agreement or arrangement with any person, firm or corporation to prefer any applicant or group of applicants for Mortgage Loans over any other applicant or group of applicants for such Mortgage Loans without the express approval of the Issuer, nor may applications for such loans be accepted for processing, or arrangements for the acceptance or handling of such applications be made, prior to the Application Start Date. In accepting, evaluating and acting upon such applications, Lender shall comply, if applicable, with the Federal Equal Credit Opportunity Act and Regulation B promulgated thereunder.

SECTION 4.15. DISCLOSURE TO BORROWERS. Lender shall provide to each prospective Mortgagor at the time of loan application a Notice of Potential Recapture in the form set forth in the Lender Guide.

SECTION 4.16. REQUIREMENT OF STANDARD HAZARD INSURANCE AND FLOOD INSURANCE.

(A) The Single Family Residence securing any Mortgage Loan must be covered by the standard hazard insurance meeting the following requirements:

(1) standard hazard insurance coverage in the following kinds and amounts will be carried by each Mortgagor or by the condominium association on behalf of the Mortgagor, where appropriate, or by the Servicer under a mortgagee single interest hazard insurance policy and is required on property covered by a Mortgage Loan:

(a) fire and extended coverage insurance is required in an amount which is not less than the maximum insurable value of the property securing such Mortgage Loan or (provided that no co-insurance clause shall be applicable) the principal balance owing on such Mortgage Loan, whichever is less; and

(b) where the Lender is aware that the property is exposed to any appreciable hazard against which fire and extended coverage insurance does not afford protection, the Lender must advise the Servicer of the nature of such hazard and the additional insurance coverage, if any, which has been obtained against such hazard. If adequate insurance has not been obtained against such hazard, the Servicer may require the Lender to obtain such coverage prior to accepting the Mortgage Loan for purchase;

(2) such insurance must be in effect on the Purchase Date of the Mortgage Loan and the expiration date of each policy must be more than six months after the Purchase Date. The premium on each policy must have been paid in full by the Mortgagor (no "courtesy receipts" or other secondary financing of such premium is permitted);

(3) insurance policies must be sufficient in amount and scope of coverage to meet any applicable requirements of FHA, VA or Fannie Mae, as applicable;

(4) each Mortgage Loan must provide that, in the event of any loss settlement on a hazard insurance policy, the Mortgagor has the option of applying the loss settlement proceeds against the principal amount of the Mortgage Loan rather than restore the property; and

(5) each hazard insurance policy must be written by a hazard insurance carrier which falls into a financial category, as designated in Best's Insurance Reports of B/VI or better (the Servicer may make an exception upon specific request where the insured is an assigned risk) and each carrier must be specifically licensed or authorized by law to transact business in the State.

(B) The Lender is responsible for and warrants compliance with the provisions of the Flood Disaster Protection Act of 1973, whenever such provisions would be applicable to any

Mortgage Loan sold to the Servicer. If the area is one identified by the Secretary of Housing and Urban Development as an area having special flood hazards, flood insurance shall be maintained in the amount (provided that no co-insurance clause shall be applicable) of the outstanding principal balance of the Mortgage Loan or the maximum limit of coverage available under the National Flood Insurance Act of 1968 as amended, whichever is less.

(C) Policies are unacceptable where: (i) under the terms of the carrier's charter, by-laws or policy, contributions or assessments may be made against the Servicer or its assignee or (ii) contributions or assessments may be made against the owner of the property which could become a lien on the property superior to the lien of the Mortgage Loan, (iii) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members or (iv) the policy includes any limiting clauses (other than normal insurance conditions) which could prevent the Servicer or the Mortgagor from collecting insurance proceeds.

(D) All policies of hazard insurance must contain or have attached the standard mortgagee clause customarily used in the applicable County within the Eligible Loan Area naming the Servicer, and/or its assigns, as the mortgagee. The policy must provide that the insurance carrier will notify the Servicer at least ten days in advance of the effective date of any cancellation of the policy. The Lender must (i) cause each insurance policy to be properly endorsed, (ii) give any necessary notices of transfer in order to fully protect, under the terms of the policy and applicable law, the interest of the Servicer as first lienholder and (iii) cause all insurance drafts, notices, policies, invoices and other documents to be delivered directly to the Servicer, regardless of the manner in which the insurance policy is endorsed. The Lender shall cause the Servicer's address to be used in the endorsement.

(E) Insurance coverage which does not meet the foregoing requirements will be considered on a case-by-case basis by the Servicer upon request by the Lender. The Servicer may require such additional coverage as it may deem necessary in connection with any case or group of cases.

(F) In addition to the coverage required under (A) through (E) above, Planned Unit Developments must also meet the following requirements:

(1) The PUD corporation, homeowner's association, or trust must have fire and extended coverage insurance on insurable PUD common property for at least 90% of the replacement cost or for the amount of the Mortgage Loan, whichever is greater. Such insurance must name as the insured the PUD corporation, association or trust for the benefit of the PUD unit owners.

(2) The PUD corporation, association or trust must have fidelity coverage against dishonest acts on the part of directors, managers, trustee, employees or volunteers responsible for handling funds collected and held for the benefit of the PUD unit owners if the planned unit development or subdivision has more than fifty units. The fidelity bond or insurance must name the PUD corporation, association or trust as the named insured and must be written in an amount

sufficient to provide protection which is in no event less than one and one-half times the insured's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation must be added if the policy would not otherwise cover volunteers.

(3) The PUD corporation, association or trust must have a comprehensive policy of public liability insurance covering all of the PUD common property. Such insurance must contain a "Severability of Interest" endorsement which precludes the insurer from denying the claim of the PUD unit owner because of the negligent acts of the PUD corporation, association or trust or other unit owners.

(G) Insurance coverage on condominium units must be in general conformity with the following additional requirements:

(1) A multi-peril type policy covering the entire condominium or an individual unit policy is acceptable, as long as it provides minimum fire and extended coverage insurance on a replacement cost basis in an amount not less than 100% of the insurable value (based upon replacement cost). If there is a steam boiler in operation in connection with the mortgaged property, boiler explosion insurance must be in force in a standard form of boiler and machinery insurance policy which provides coverage at least equal to \$1,000,000 for each accident at each location or requires a greater coverage depending upon the nature of the property. If the condominium development is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, an individual or a "blanket" policy of flood insurance on the condominium project must be obtained in an amount which is the lesser of the maximum amount of insurance available under the act or (provided no co-insurance clause is applicable) the aggregate of the unpaid principal balances of the loans secured by the condominium units comprising the condominium project. The name of the insured under each required policy must be stated in form and substance similar to the following:

"Association of Owners of the Condominium for use and benefit of the individual owners"
(designated by name, if required)

(2) Lender must furnish to the Servicer the original copy or photocopy of the multi-peril policy or policies and the boiler and machinery insurance policies, and flood insurance policies, if any.

(3) Each such policy must contain the standard mortgagee clause which must be endorsed to provide that any proceeds shall be paid to the Association of Owners of the Condominium for the use and benefit of mortgagees as their interest may appear, or must be otherwise endorsed to fully protect the Servicer's interest as mortgagee. The Lender must produce a letter addressed to the Association of Owners or its agent wherein the Association of Owners has been requested to notify the Servicer whenever (i) damage to a family unit covered by a Mortgage Loan held by the Servicer exceeds \$1,000 or (ii) damage to common areas and

related facilities exceeds \$10,000. If the Servicer is expressly named under the standard mortgagee clause, no such letter is required.

(4) The Association of Owners of the Condominium must have fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association of Owners as the named insured, if the condominium project has more than thirty units, and must be written in an amount sufficient to provide protection which must be consistent with local and Florida insurance laws. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation must be added if the policy would not otherwise cover volunteers.

(5) The Association of Owners of the Condominium must have a comprehensive policy of public liability insurance covering all of the common areas, commercial spaces, and public ways in the condominium project. Such insurance must contain a "Severability of Interest" endorsement which precludes the insurer from denying the claim of a condominium unit owner because of negligent acts of the Association of Owners of the Condominium or other unit owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. Liability coverage shall be for at least \$1,000,000 per occurrence, for personal injury and/or property damage.

SECTION 4.17. ASSUMPTION RESTRICTIONS. In any case in which a Single Family Residence subject to a Mortgage has been or is about to be conveyed by the Mortgagor and the purchaser desires to assume all the rights and obligations of the Mortgagor under the Mortgage Loan, Servicer may release (subject to any required FHA, RD or VA approval, as applicable, and in accordance with currently applicable FHA, RD or VA rules and regulations, as the case may be) the original Mortgagor and take or enter into an assumption agreement from or with the person to whom such property has been or is about to be conveyed only if Servicer so consents in writing; provided, however, that such assumption may only be permitted if (i) the purchaser is an Eligible Person or Family, (ii) the purchaser will occupy the Single Family Residence within 60 days of the assumption as the purchaser's principal residence and intends to maintain the Single Family Residence as his or her principal residence as long as he or she is liable under the Mortgage Loan, (iii) except for Qualified Rehabilitation Loans, and Targeted Area Loans, the purchaser is a First Time Homebuyer, (iv) the Acquisition Price of the Single Family Residence does not exceed limits then applicable for an existing Single Family Residence in the applicable County within the Eligible Loan Area (adjusted as necessary for Targeted Area Loans), which determination is supported by affidavits substantially similar to the forms set forth in the Lender's Guide, (v) the Mortgage Loan is continued to be insured under the insurance policies described in this Agreement and approved by the Servicer, (vi) the purchaser's Current Annual Family Income does not exceed the then-current Maximum Current Annual Family Income, as established by the Issuer, (vii) the Mortgage Loan must continue to comply with the requirements of FHA, RD or VA Regulations, the Program Documents and the GNMA Guide or the Fannie Mae Guide, as applicable, (viii) the Servicer provides to the assuming mortgagor notice of the recapture provisions of the Code, as provided in Section 4.15 hereof with respect to

loan originations, and (ix) it does not contain terms which Servicer has been advised will affect the exclusion from gross income (for federal income tax purposes) of interest on the Bonds. The assumption restrictions shall be incorporated in the related Mortgage and kept as a part of the Mortgage File. In connection with any such assumption agreement, the interest rate of the related Mortgage Note shall not be changed; however, the Servicer may charge in connection with each assumption an assumption fee not to exceed the maximum amount permitted by FHA, RD or VA, as applicable, plus, to the extent permitted by law, and FHA, RD or VA, as applicable, the reasonable and customary out-of-pocket costs paid or incurred by Servicer as specified in Section 4.03 hereof.

SECTION 4.18. LENDER TO TRANSFER MORTGAGE LOANS AND SERVICING THEREOF TO SERVICER. Prior to the Purchase Date, Lender shall assign and transfer each Mortgage Loan to the Servicer in exchange for payment of the Purchase price on the Purchase Date as provided in this Agreement. Under the Program Administration and Servicing Agreement, on and after the Purchase Date Servicer will perform all servicing functions relating to each Mortgage Loan. After the issuance date of each Pool, Servicer will be governed by the GNMA Guide or the Fannie Mae Guides, and MBS Agreement.

SECTION 4.19. SUBMISSION OF DOCUMENTS TO SERVICER. Following underwriter approval, the Lender's underwriter must complete the underwriter certification screening. Following each Mortgage Loan closing, the Lender shall deliver the Compliance Closing Documents, described in the Program Administrator's Guidelines, to the Program Administrator for final approval. Lender will submit to the Servicer, within 10 Business Days of each Mortgage Loan closing, a Mortgage File and a package containing the documents described in the Lender's Guide. The Lender agrees to comply with all requirements of the Lender's Guide in connection with the origination and purchase of Mortgage Loans.

ARTICLE V

LENDER

SECTION 5.01. LIABILITY OF LENDER. Lender shall be liable under this Agreement only to the extent that obligations are explicitly imposed upon and undertaken by Lender.

SECTION 5.02. [SECTION RESERVED].

SECTION 5.03. LIMITATION ON LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS OF LENDER. No director, officer, employee or agent of Lender shall be under any liability to the Issuer, the Trustee or the Bondholders for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement, or for errors in judgment.

SECTION 5.04. LENDER NOT TO RESIGN. Except with respect to the applicability of Section 2.02(b) hereof, Lender shall not resign from the obligations and duties hereby imposed on it except upon determination that its duties hereunder are no longer permissible under applicable law or regulation. Any such determination permitting the resignation of Lender shall be made on the basis of evidence satisfactory to the Issuer and the Servicer. No such resignation shall become effective until a successor entity shall have assumed Lender's responsibilities and obligations hereunder.

A lending institution which was not an original Lender in the Program will be permitted to assume a Lender's obligations and duties hereunder only upon approval by the Issuer and the Servicer and satisfaction of the qualifications to act as a "Lender" hereunder, including agreeing to be bound by the terms of this Agreement.

Lenders resigning pursuant hereto shall not be entitled to reimbursement of Commitment Fees paid with respect to such Lender's unused Program Allocation.

ARTICLE VI

CAUSES PERMITTING TERMINATION

SECTION 6.01. CAUSES OF TERMINATION DEFINED; REMEDIES. Upon the happening of any one or more of the following events, the Servicer shall, with the consent of the Issuer, terminate this Agreement with respect to any Lender or take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of Lender hereunder:

(a) Failure by Lender to promptly originate and offer to the Servicer, on behalf of the Issuer, for Purchase Mortgage Loans complying with the requirements of this Agreement.

(b) A decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against Lender and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days.

(c) Lender shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to Lender or relating to all or substantially all of its property.

(d) Lender shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

(e) The Issuer, the Trustee or the Master Servicer shall have actual knowledge that any representation of or warranty by Lender to the Servicer, the Issuer or the Trustee is false in any material respect.

(f) There occurs prior to Purchase of any Mortgage Loan a change in status of the Lender originating such Mortgage Loan with respect to Lender's approvals as either an FHA or VA approved mortgagee and a GNMA issuer-servicer or a Fannie Mae approved lender, as applicable, or a material adverse change in the Lender's financial condition.

SECTION 6.02. NO REMEDY EXCLUSIVE. Unless otherwise expressly provided, no remedy herein conferred upon or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Agreement upon the happening of any event set forth in Section 6.01 hereof shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee on behalf of the Issuer to exercise any remedy

reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

SECTION 6.03. AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event Lender should fail to perform its obligations under any of the provisions of this Agreement and the Issuer, the Trustee or the Servicer, should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of Lender herein contained, Lender agrees that to the extent permitted by law it will pay or reimburse the Issuer, the Trustee or the Servicer on demand the reasonable fee of attorneys and such other incurred expenses.

SECTION 6.04. LIABILITY OF THE SERVICER OR ISSUER. The Servicer or Issuer shall not be liable for the appointment or removal of a successor Lender or owe any duty with respect to such appointment or removal, except for its own willful misconduct and, except to the extent of its obligations to assure proper servicing hereunder. Notwithstanding any provision to the contrary in this Agreement, neither the Issuer nor the Servicer shall be liable in any respect for the appointment or removal of a successor Lender by the Servicer or the Issuer or owe any duty with respect to such appointment or removal other than as otherwise provided herein. The Trustee shall have no liability or duties with respect to the appointment of a successor Lender.

SECTION 6.05. SERVICING TERMINATION. Servicer may be terminated only as provided in the Program Administration and Servicing Agreement and the GNMA Guide or Fannie Mae Guides, as applicable, as modified by the MBS Agreement or Pool Purchase Contract.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 7.01. AMENDMENTS, CHANGES AND MODIFICATIONS.

Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may be amended, changed, modified, altered or terminated only as provided in the Indenture and with the written consent of the Issuer, the Trustee and the Servicer.

SECTION 7.02. RECORDATION OF THIS AGREEMENT.

This Agreement, or a memorandum of any portion or portions hereof executed by the Issuer, the Trustee and Lender, is subject to recordation among the Land Records of Brevard County, and in any other appropriate public office or elsewhere if directed by the Issuer.

SECTION 7.03. LIMITATION ON RIGHTS OF BONDHOLDERS.

No Bondholder shall have any right to institute a suit with respect to this Agreement except as provided in the Indenture and for the equal benefit of all Bondholders. This Section may be enforced by the Trustee or any Bondholder.

SECTION 7.04. GOVERNING LAW.

This Agreement shall be construed in accordance with the laws of the State, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

SECTION 7.05. NOTICES.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, return receipt requested, addressed to the appropriate Notice Address. A duplicate copy of each notice, certificate or other communication given hereunder to the Issuer, the Trustee or the Master Servicer shall also be given to the others. The Issuer, the Lender, the Trustee or the Master Servicer may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 7.06. SEVERABILITY.

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 7.07. FURTHER ASSURANCES AND CORRECTIVE INSTRUMENTS.

To the extent permitted by law, the Issuer, the Trustee, the Servicer and Lender agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Agreement.

SECTION 7.08. TERM OF THIS AGREEMENT. This Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are outstanding or the Servicer shall own any Mortgage Loans made hereunder, whichever is later or until such time as terminated pursuant to Section 6.01 hereof.

SECTION 7.09. NO RIGHTS CONFERRED ON OTHERS. Nothing in this Agreement shall confer any right upon any person other than the Issuer, the Trustee, the Servicer, GNMA, Fannie Mae, and Lender.

SECTION 7.10. LIMITED LIABILITY; NO DEBT OR GENERAL OBLIGATION. All obligations of the Issuer incurred hereunder and any liability incurred by the Issuer with respect to any breach of any such obligation shall not constitute a debt of the Counties, the Issuer, the Volusia Authority, the State or any political subdivision thereof nor shall any such party be liable thereon, nor shall Lender, the Bondholders or any other persons have the right to require or compel the exercise of the ad valorem taxing power of any of the Counties or any other political subdivision of the State for the payment, obligations or other liability due hereunder and in no event shall such payment be payable out of any funds or properties other than those of the Issuer which are legally available for such purposes.

SECTION 7.11. MAINTENANCE OF ERRORS AND OMISSIONS POLICY AND FIDELITY BOND. Each Lender shall obtain and maintain an errors and omissions policy and fidelity bond, or self insurance coverage in form and in amounts required by FHA and VA or GNMA and Fannie Mae for parties acting in their capacity under the Program.

SECTION 7.12. DISCRETION OF THE MASTER SERVICER. With respect to any disputes between the Master Servicer and the Lender which arise concerning the terms and provisions of this Origination Agreement, the meaning thereof, or decisions to be made thereunder, the judgment of the Master Servicer shall govern.

ARTICLE VIII

TRUSTEE'S LIMITED RESPONSIBILITIES

SECTION 8.01. TRUSTEE'S LIMITED RESPONSIBILITIES. The parties hereto acknowledge that the Issuer has entered into the Program Administration and Servicing Agreement and this Agreement with the Servicer which impose certain responsibilities on the Servicer, including determination as to whether or not a mortgage loan submitted for purchase by the Lender is a Mortgage Loan as defined herein. The Trustee has not assumed and expressly disclaims responsibility for monitoring the performance of the Servicer's responsibilities under the Program Administration and Servicing Agreement and this Agreement, including without limitation determination as to whether a mortgage loan submitted for purchase is a Mortgage Loan, except, with respect to termination of the Servicer's rights under the Program Administration and Servicing Agreement and this Agreement, as specifically provided in the Indenture, the Program Administration and Servicing Agreement and this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement is executed as of the date set forth on the cover page hereof.

[SEAL]

_____, as Lender

Attest:

By: _____

Title: _____

By: _____

Title: _____

**BREVARD COUNTY HOUSING FINANCE
AUTHORITY**

(SEAL)

Attest:

By: _____
Title: _____

By: _____
Secretary/Treasurer

WELLS FARGO BANK, N.A., as Trustee

By: _____

Name: _____

Title: Agent

**U.S. BANK dba U.S. BANK HOME
MORTGAGE-MRBP DIVISION, as Master
Servicer**

By: _____
James R. Coreno, Vice-President

EXHIBIT A
FORM OF MOA SERIES SUPPLEMENT

BREVARD COUNTY HOUSING FINANCE AUTHORITY
____ MOA SERIES SUPPLEMENT

In connection with
\$_____ SINGLE FAMILY HOUSING REVENUE BONDS, SERIES _____

Dated: As of _____, _____

_____ **MOA SERIES SUPPLEMENT**

In connection with

\$ _____ SINGLE FAMILY HOUSING REVENUE BONDS, SERIES _____

This _____ MOA Series Supplement, dated as of _____, _____, by and among the Brevard County Housing Finance Authority, a public body corporate and politic of the State of Florida, its successors and assigns (the "Issuer"), U.S. Bank N.A., dba U.S. Bank Home Mortgage-MRBP Division, a national banking association (the "Master Servicer" or "Servicer"), Wells Fargo Bank, N.A., a national banking association, with its designated office in Orlando, Florida, as trustee (the "Trustee") and the Lender referenced herein;

W I T N E S S E T H:

WHEREAS, the parties hereto have previously entered into that certain Master Mortgage Origination Agreement, dated as of February 1, 2002 (the "Master Agreement"), providing for the origination of mortgage loans under the Issuer's ongoing single family bond program; and

WHEREAS, the Master Agreement provides for the execution and delivery of a MOA Series Supplement setting forth certain terms with respect to origination of Mortgage Loans under the respective cycles of the Program; and

WHEREAS, it is now appropriate to establish certain terms relating to Mortgage Loans originated in connection with the _____ Program cycle (the "_____ Cycle") related to the issuance of the Issuer's Homeowner Mortgage Revenue Bonds, Series _____ (the "_____ Bonds");

NOW, THEREFORE, in consideration of the premises and of the mutual agreement herein contained, the Issuer, the Servicer, the Trustee and the Lender hereby agree as follows:

Section 1. The above recitals are true and correct and are incorporated by reference into and made a part hereof.

Section 2. All terms defined in the Master Agreement shall have the same meanings in this _____ Series Supplement as such terms are given in the Master Agreement.

Section 3. The Application Start Date with respect to the _____ Cycle shall be _____.

Section 4. The Assisted Loan Program with respect to the _____ Cycle shall consist of Mortgage Loans bearing interest at a rate of _____% per annum in exchange for an assistance payment of _____% for FHA/RD/VA Mortgage Loans and _____% for Conventional Mortgage Loans. Lenders may originate a maximum of _____% of total program allocation as either Assisted Loans or Reduced Point Loans.

Section 5. The Certificate Acquisition Period for the ____ Cycle shall mean the period commencing on _____ and ending on _____, unless terminated earlier (but in no event earlier than _____) as provided in the Master Agreement.

Section 6. The Commitment Fee in connection with the ____ Cycle shall be in an amount equal to ____% (____% for Builder Reservations) of each Lender’s Program Allocation.

Section 7. The Commitment Period for the ____ Cycle shall end on _____, unless extended by the Issuer in accordance with the provisions of the Master Agreement.

Section 8. The Discount for the ____ Cycle shall be an amount not less than the following percentages of the principal amount of the Mortgage Loan:

	<u>FHA/RD/VA</u>	<u>Conventional Loans</u>
Low Rate Loans		
Assisted Loans		
Reduced Point Loans		

Section 9. The final regularly scheduled payment date for Fannie Mae Securities acquired under the ____ Cycle shall be _____.

Section 10. The Maximum Acquisition Price for the ____ cycle shall be (subject to adjustment as provided in the Master Agreement):

<u>NON TARGETED AREA</u>	<u>NEW</u>	<u>EXISTING</u>
Brevard County	\$	\$
Volusia County	\$	\$
Clay County	\$	\$
St. Johns County	\$	\$
Nassau County	\$	\$
<u>TARGETED AREA</u>		
Brevard County	\$	\$
Volusia County	\$	\$
Clay County	\$	\$
St. Johns County	\$	\$
Nassau County	\$	\$

Section 11. The Maximum Current Annual Family Income for the ____ Cycle shall be (subject to adjustment as provided in the Master Agreement):

<u>NON TARGETED AREA</u>	<u>1-2 Family Members</u>	<u>3 or more Family Members</u>
Brevard County	\$	\$
Volusia County	\$	\$

Section 12. The Mortgage Loan Purchase Price for the ____ Cycle shall be the following percentages of the outstanding principal balance of each Mortgage Loan purchased by the Servicer in accordance with the Master Agreement:

	<u>FHA/RD/VA Loans</u>	<u>Conventional Loans</u>
Low Rate Loans		
Reduced Point Loans		
Assisted Loans		

Section 13. The Origination Fee with respect to the ____ Cycle means a fee not in excess of __% of the original principal amount of each Mortgage Loan, or such other amount as permitted by FHA, RD, VA or Fannie Mae; provided, that, with respect to Reduced Point Loans, the Origination Fee shall be zero (provided that the Lender may require the Mortgagor to pay a ____% Origination Fee if the Lender provides the Mortgagor with an assistance payment in an amount equal to __% of the principal amount of such Reduced Point Loan).

Section 14. The Origination Period with respect to the ____ Cycle shall end on ____, unless terminated earlier at the option of the Issuer, but in no event earlier than _____.

Section 15. The Program Compliance Review Fee with respect to the ____ Cycle shall not exceed \$____.

Section 16. The Program Allocations for the ____ Cycle shall be as follows:

	<u>SPOT FUNDS</u>	<u>BUILDER RESERVATION</u>	<u>TARGETED AREA FUNDS</u>	<u>PROGRAM ALLOCATION</u>
Brevard County				
Volusia County				
Grand Total				

Section 17. The Reduced Point Program in connection with the ____ Cycle shall mean the program whereby at the Mortgagor's election the Mortgage Loan may bear interest at a rate of ____% per annum in exchange for a reduction of the required combined Discount and Origination Fee to ____% for FHA/RD/VA Mortgage Loans and ____% for Conventional Mortgage Loans (provided, that the Lender may require the Mortgagor to pay a ____% Origination Fee if the Lender provides the Mortgagor with an assistance payment in an amount equal to ____% of the principal amount of such Reduced Point Loan). A maximum of ____% of total ____ Cycle program allocation may be made as either Assisted Loans or Reduced Point Loans.

Section 18. The Servicer Premium in connection with the ____ Cycle shall be equal to ____% of the outstanding principal balance of each Reduced Point Loan and ____% of the outstanding principal balance of each Assisted Loan purchased by the Servicer.

Section 19. A maximum of ____% of the total funds available under the ____ Cycle may be reserved for builders.

Section 20. If any Lender fails to commit ____% of its ____ Cycle Program Allocation by _____ or all of its ____ Cycle Program Allocation by _____ or fails to deliver ____% of its allocation in closed loans to the Servicer by _____, the Issuer in its sole discretion and in consultation with the Servicer, may reallocate all or a part of such unused portion to other Lenders or to a general pool, as provided in the Master Agreement.

Section 21. Each Mortgage Loan shall bear interest at the rate of ____% per annum, except that Mortgage Loans under the Reduced Point Program shall bear interest at a rate of ____% per annum and Mortgage Loan under the Assisted Loan Program shall bear interest at a rate of ____% per annum.

Mortgagors electing to obtain Reduced Point Loans shall be entitled to a reduction in the Discount and Origination Fees. There will be no Discount or Origination Fees associated with FHA, RD and VA Reduced Point Loans (unless the Lender provides the Mortgagor with an assistance payment in an amount equal to ____ of the principal amount of such Reduced Point Loan, in which case the Lender may charge the Mortgagor an Origination Fee of ____) and, with respect to Conventional Reduced Point Loans, the Mortgagor shall pay a ____% Discount Fee and no Origination Fee. Mortgagors electing to obtain Assisted Loans shall be entitled to an Assistance Payment of ____% for FHA/RD/VA/ Loans and ____% for Conventional Loans. There will be no Discount and a ____% Origination Fee associated with FHA, RD, VA and Conventional Assisted Loans. Upon purchase of Reduced Point or Assisted Loans by the Master Servicer, the Lender will receive a higher Mortgage Loan Purchase Price reflecting the Servicer Premium which will reimburse the Lender for a portion of its Commitment Fees and pay a portion of the compensation due for originating the Mortgage Loan. The excess interest on Reduced Point and Assisted Loans above the sum of the Pass-Through Rate, the Servicing Fee and the GNMA or Fannie Mae Guaranty Fee shall be retained by the Servicer as the Excess Servicer Fee. The Pass-Through Rate shall not be affected by the differing interest rates on Reduced Point and Assisted Loans.

Section 22. The Origination and Discount Fees for Mortgage Loans in the ____ Cycle shall be as set forth below:

FHA/RD/VA Mortgage Loans

<u>Mortgage</u>	<u>Maximum Discount</u>	<u>Maximum Origination Fee</u>	<u>Total Paid by Borrower</u>
Low Rate Reduced Point* Assisted	%	%	%

Conventional Mortgage Loans

<u>Mortgage</u>	<u>Maximum Discount</u>	<u>Maximum Origination Fee</u>	<u>Total Paid by Borrower</u>
Low Rate Reduced Point* Assisted	%	%	%

* Unless the Lender provides the Mortgagor with an assistance payment in an amount equal to ____% of the principal amount of such Reduced Point Loan, in which case the Lender may charge the Mortgagor and Origination Fee of ____%.

Each Lender may charge a Program Participation Fee of \$____.

IN WITNESS WHEREOF, this Agreement is executed as of the date set forth on the cover hereof.

[SEAL]

_____, as Lender

Attest:

By: _____

Title: _____

By: _____

Title: _____

**BREVARD COUNTY HOUSING FINANCE
AUTHORITY**

[SEAL]

Attest:

By: _____
Chairman

By: _____
Secretary/Treasurer

WELLS FARGO BANK, N.A., as Trustee

By: _____
Name: _____
Title: Agent

**U.S. BANK N.A., dba U.S. BANK HOME
MORTGAGE-MRBP DIVISION, as Master
Servicer**

By: _____
James R. Coreno, Vice-President

EXHIBIT B
LIST OF LENDERS

Chase Manhattan Mortgage Corporation

First Horizon Home Loan Corp.

Harbor Federal Savings Bank

MFC Mortgage Inc. of Florida

MHI Mortgage

Mortgage America, Inc.

National City Mortgage Company

Principal Residential Mortgage, Inc.

Shelter Mortgage Company, LLC

Transland Financial Services, Inc.