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HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA)

**SPECIAL PROGRAM
MASTER MORTGAGE ORIGINATION AND SERVICING AGREEMENT**

**Home Ownership Mortgage Revenue Bonds
Various Series**

Dated as of January 1, 2010

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**SPECIAL PROGRAM
MASTER MORTGAGE ORIGINATION AND SERVICING AGREEMENT**

THIS MORTGAGE ORIGINATION AND SERVICING AGREEMENT (the "Agreement"), dated as of the 1st day of January, 2010, among the **LENDERS** executing this Agreement from time to time (each, a "Lender"); U.S. Bank, N.A., dba U.S. Bank Home Mortgage MRBP Division a national banking association (the "Master Servicer"); **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as trustee (the "Trustee"); its successors and assigns and any co-trustee then serving as such under any Series Indenture (hereafter defined); **HOUSING AND DEVELOPMENT SERVICES, INC.**, d/b/a **EHOUSINGPLUS**, a corporation organized under the laws of the State of Florida and the **HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA)** (the "Issuer"), a public body corporate and politic.

WITNESSETH:

WHEREAS, the Florida Housing Finance Authorities 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

WHEREAS, in accordance with the provisions of the Act (hereafter defined), the Board of County Commissioners of Dade County enacted Ordinance 78-89 on December 12, 1978 determining that there is a shortage of affordable housing and capital for investment in such housing and duly creating the Issuer 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 the Eligible Loan Area (hereinafter defined) of the Issuer, which constitutes a valid public purpose for the issuance of revenue bonds under the Act, the Issuer has determined to participate in the U.S. Treasury New Bond Issue Program by issuance of Home Ownership Mortgage Revenue Bonds, Various Series (the "Special Program") and may approve, from time to time, the issuance of one or more Series of its Home Ownership Mortgage Revenue Bonds (the "Bonds"), the proceeds of which will be made available for the purchase from the Master Servicer of 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 Insured, VA or RD Guaranteed Mortgage Loans, and mortgage-backed securities of the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation (Freddie Mac) evidencing the guarantee by Fannie Mae or Freddie Mac, as applicable, of monthly principal and interest of qualifying Conventional Mortgage Loans, which FHA-Insured, VA or RD Guaranteed or Conventional Mortgage Loans are made to finance residential facilities within the Eligible Loan Area of the Issuer intended for use as the permanent place of residence by families or persons of low, moderate or middle income (the "Mortgage Loans"); and

WHEREAS, the Mortgage Loans are to be originated and serviced pursuant to this Special Program Master Mortgage Origination and Servicing Agreement by and among certain lending institutions (the "Lenders"), the Master Servicer, the Trustee, the Program Administrator and the Issuer and pursuant to Offers to Originate Single Family Mortgage Loans and a Master Program Administration Agreement, as supplemented and amended (the "Program Administration Agreement" or "Administration Agreement") by and between the Issuer and the Program Administrator; and

WHEREAS, the Bonds of a Series will be secured by the Master Indenture of Trust, dated as of December 1, 2009 (the "Master Indenture") between the Issuer and the Trustee and by the applicable Series Supplemental Indenture of Trust (a "Series Supplement" and the Master Indenture and a particular Series Supplement are herein referred to as a "Series Indenture" or the "Indenture") between the Issuer and the Trustee with respect to such Series of Bonds; and

WHEREAS, the Series Indenture pursuant to which certain payments made in respect of the Mortgage Loans applicable to a Series of Bonds purchased by the Master Servicer will secure payment of such Series of Bonds by a pledge and assignment of the applicable mortgage backed securities (as such terms are more specifically defined in Article I hereof);

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

ARTICLE I

DEFINITIONS

All terms used in capitalized form and not otherwise defined herein, including the preambles hereto, shall have the respective meanings provided in the applicable Series Indenture.

The following words and phrases shall have the following meanings:

"*Acquisition Price*" 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 78-89, enacted December 12, 1978, as supplemented and amended from time to time; and other provisions of applicable law.

"Application Start Date" means the date on which Lenders may commence accepting applications for Mortgage Loans under a Program for a particular Series of Bonds, which date shall be set forth in the applicable Notice of Acceptance.

"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 Master Servicer in connection with the purchase of the related Mortgage Loan by Master Servicer.

"Bond Delivery Date" means the date on which the Bonds of a Series are delivered to the original purchasers thereof.

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

"Bonds" means the Issuer's Home Ownership Mortgage Revenue Bonds, Various Series, issued from time to time to finance the Special Program.

"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(a) hereof and the Notice of Acceptance.

"Business Day" means any day other than (i) a day that the Master Servicer is closed and (ii) 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 Master Servicer is located, are authorized by law to close or a day on which the New York Stock Exchange is closed.

"Certificate Acquisition Period" means, with respect to each series of Bonds, the period during which the Trustee shall purchase GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities from the Master Servicer as set forth in the applicable Series Indenture and as such period may be extended in accordance therewith.

"Certificate Purchase Date" means the date the Trustee purchases (to the extent permitted under the Indenture and the Investment Agreement) a GNMA Certificate, Freddie Mac Security or a Fannie Mae Security pursuant to Sections 9.11, 9.12 and 9.13 hereof.

"Certificate Purchase Price" means, when used with respect to a purchase from the Servicer of either a GNMA Certificate, Freddie Mac Security or a Fannie Mae Security, the purchase price of

each GNMA Certificate, Freddie Mac Security and Fannie Mae Security in an amount equal to the percentage of the principal component of the aggregate unpaid principal balance of each GNMA Certificate, Freddie Mac Security or Fannie Mae Security (after taking into account any scheduled principal reduction required on such GNMA Certificate, Freddie Mac Security or Fannie Mae Security on the first day of such month determined in accordance with Section 5.04 of the Indenture) as certified to the Trustee by the Servicer with respect to such GNMA Certificates, Freddie Mac Security and Fannie Mae Securities plus accrued interest to, but not including, the Certificate Purchase Date, based on the type of loans associated with such GNMA Certificate, Freddie Mac Security or Fannie Mae Security as shown in the applicable Program Determinations for each Series of Bonds.

"*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 (including regulations first promulgated under the Internal Revenue Code of 1954) and shall also include revenue procedures, revenue rulings, or other published determinations of the Treasury Department or Internal Revenue Service of the United States.

"*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 submitted by each Lender to the Issuer in connection with its Offer to Originate in an amount set forth in the Offer to Originate, which amount is not refundable except as provided herein or in the Notice of Acceptance.

"*Compliance File*" means the documents detailed in the applicable Lender's Guide.

"*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 Loans*" means a Mortgage Loan other than an FHA/VA/RD Mortgage Loan which meets the requirements of Fannie Mae or Freddie Mac.

"*County*" means, Miami- Dade County, Florida.

"*Current Annual Family Income*" means the total current annualized income. For purposes of this definition, "total current annualized income" is gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, income from self-employment, 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. Information with respect to gross monthly income may be obtained from applicable certificates and affidavits provided in the Lender's Guide (collectively, the "Loan Submissions") executed by a Mortgagor during the four-month period ending on the date of the Closing of the Mortgage Loan, provided that any gross monthly income not included in the Loan Submissions must be included in determining gross monthly income. Thus, for example, if the Mortgagor does not include alimony on the Loan Submissions, the Lender, in determining gross monthly income, must determine the amount of alimony and add that amount to the amount shown on the Loan Submissions. The applicable Loan Submissions include (1) Mortgagor's Income Certification included in the Lender's Guide, (2) lines 23D and 23E on the Application for VA Guaranty or for HUD/FHA Insured Mortgage (VA Form 26-1802a, HUD 92900, Jan. 1982), and (3) the total line from the Gross Monthly Income section of FHLMC Residential Loan Application form (FHLMC 65 Rev. 10/86).

"*Disaster Area Loan*" means a loan to homeowners for a personal residence located within a federally declared disaster area as permitted by Section 143(k)(11) of the Code.

"*Discount*" means a percentage of each Mortgage Loan to be retained by the Lender, which percentage shall be set forth in the Notice of Acceptance for each series of Bonds.

"*Down Payment Assistance Loan*" means a second mortgage loan made in conjunction with a Mortgage Loan under the Special program as described in the applicable Invitation. .

"*Dwelling Unit*" means a residential unit that includes cooking, sleeping and individual bathroom facilities.

"*Eligible Loan Area*" means, with respect to each Series of Bonds, the area within the territorial limits of the County.

"*Eligible Persons and Families*" means a person or persons: (i) whose Current Annual Family Income does not exceed the Maximum Current Annual Family Income; (ii) who intends principally and permanently to occupy the Single Family Residence to be financed with a Mortgage Loan within a reasonable period (not to exceed 60 days) following the Closing of such Mortgage Loan (or,

with respect to Qualified Rehabilitation Loans, within 60 days of the completion of rehabilitation); (iii) who is a First Time Homebuyer (except with respect to a principal Single Family Residence located in a Targeted Area or a Federally declared disaster area or a Qualified Rehabilitation Loan); and (iv) who has not had an existing mortgage (including a deed of trust, conditional sales contract, pledge, agreement to hold title in escrow, or any other form of owner-financing), whether or not paid off, on the Single Family Residence to be financed with such Mortgage Loan at any time prior to the execution of the Mortgage, other than a Qualified Rehabilitation Loan, or an existing mortgage securing a construction period loan, construction bridge loan or similar temporary initial construction financing initially incurred within 24 months of the Closing Date, having an original term not exceeding 24 months, and not providing for scheduled payments of principal during such term.

"*Fannie Mae*" means the Federal National Mortgage Association, a corporation organized and existing under the laws of the United States or any successor thereto.

"*Fannie Mae Guaranty Fee*" means the annual fee for guaranteeing payment of the outstanding balance of the Conventional Mortgage Loans in a Fannie Mae pool payable monthly to Fannie Mae by the Master Servicer in connection with the issuance of a Fannie Mae Security for a series of Bonds as shall be set forth in the Notice of Acceptance for such series of Bonds.

"*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 final maturity date of the related series of Bonds, bearing interest at the related Pass-Through Rate, issued by Fannie Mae in book entry form, recorded in the name of the Trustee or its nominee for the benefit of the Bondholders of the related series of Bonds as part of the Trust Estate, 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 the date set forth in the related Notice of Acceptance, which date shall be not less than 60 days before final Bond maturity for such related series of Bonds.

"*FHA*" means the Federal Housing Administration of the United States 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", provided that such loan meets all of the applicable requirements of FHA and GNMA; and provided further that no FHA Section 203(ks) loan may be originated without the prior written consent of the Master Servicer;

(e) FHA §203(h); or

(f) any other FHA mortgage insurance program approved by the Issuer and the Master Servicer.

"*FHA Insured*" means insured under FHA Insurance.

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

"*Freddie Mac*" means the Federal Home Loan Mortgage Corporation, a corporation organized and existing under the laws of the United States, or any successor thereto.

"*Freddie Mac Guaranty Fee*" means the annual fee for guaranteeing payment of the outstanding balance of the Conventional Mortgage Loans in a Freddie Mac pool payable monthly to Freddie Mac by the Master Servicer in connection with the issuance of a Freddie Mac Security for a series of Bonds as shall be set forth in the Notice of Acceptance for such series of Bonds.

"*Freddie Mac Guides*" means the Freddie Mac Selling and Servicing Guides, as amended from time to time, as modified by the Pool Purchase Contract.

"*Freddie Mac Security*" means a single pool, guaranteed mortgage pass-through Freddie Mac 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 final maturity date of the related series of Bonds, bearing interest at the related Pass-Through Rate, issued by Freddie Mac in book entry form, recorded in the name of the Trustee or its nominee for the benefit of the Bondholders of the related series of Bonds as part of the Trust Estate, guaranteed as to timely payment of principal and interest by Freddie Mac and backed by Conventional Mortgage Loans in the related mortgage pool, with a latest loan maturity date not

later than the date set forth in the related Notice of Acceptance, which date shall be not less than 60 days before final Bond maturity for such related series of Bonds.

"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" means the fully modified GNMA I or GNMA II Mortgage Pass-Through Certificate (or the electronically transmitted confirmation provided for hereinafter), issued by the Master Servicer in exchange for Mortgage 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 backed by FHA Insured Mortgage Loans, VA Guaranteed Mortgage Loans or RD Guaranteed Mortgage 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.

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

"GNMA Guaranty" means the one or more guaranty agreements of GNMA set forth on each of the GNMA Certificates (or transmitted electronically) pursuant to which GNMA has agreed to guarantee the timely payment of GNMA Certificates.

"Invitation" means the Program Invitation or Invitation to Participate in a Series Program financed by a series of Bonds, which Invitation to Participate is distributed by the Issuer to each Lender (and potential Lenders) prior to the issuance of such series of Bonds.

"Issuer" means the Housing Finance Authority of Miami-Dade County (Florida).

"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) in good standing, a VA approved lender (with automatic approval authority preferred) and a GNMA approved issuer-servicer in good standing (unless waived by the Master Servicer) and, if Conventional Mortgage Loans to be purchased under the Freddie Mac or Fannie Mae program are to be originated, a Freddie Mac or Fannie Mae approved lender in good standing (unless waived by the Master Servicer) acceptable to the PMI Insurer, if applicable, (iii) which can make the representations, warranties and covenants set forth in Section 2.02 hereof, (iv) which has agreed to

and will originate Mortgage Loans itself, and not through correspondents or other agencies, pursuant to this Agreement, the Notice of Acceptance and the related Offer to Originate and (v) in good standing with the Master Servicer.

"*Lender's Guide*" means, with respect to a series of Bonds, as the context requires, the Program Administrator Guidelines prepared by the Program Administrator setting forth the guidelines for the delivery of the Compliance File by the Lender to the Program Administrator and the Lender Manual prepared by the Master Servicer setting forth guidelines for delivery of the Mortgage File by the Lender to the Master Servicer for the origination of such Mortgage Loans.

"*MBS Agreement*" means the Commitment to Guarantee Mortgage-Backed Securities (Form HUD 11704) from GNMA to the Master Servicer.

"*Manufactured Home*" means a structure 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. The dwelling must be eligible for 30-year real estate mortgage financing and be eligible for FHA Insurance, VA Guaranty or RD Guaranty and inclusion in a GNMA Certificate or eligible for inclusion as a Conventional Mortgage Loan in a Freddie Mac Security or a Fannie Mae Security.

"*Master Servicer*" or "*Servicer*" means, with respect to a Series of Bonds, the mortgage servicing institution designated by the Issuer in the Offer to Originate and the Notice of Acceptance, in its capacity as Master Servicer hereunder or any substitute appointed pursuant to this Agreement.

"*Maximum Acquisition Price*" means the maximum purchase price of a Single Family Residence, as announced from time to time by the Issuer, which maximum purchase price shall be based on the "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 nationally recognized bond counsel represent acceptable methods for determination of such average acquisition prices for purposes of Section 143 of the Code and in compliance with any requirements for the County. Acquisition Price limits are also subject to the applicable FHA/VA/RD limits for the County.

"*Maximum Current Annual Family Income*" means, with respect to Mortgage Loans originated on new and existing Single Family Residences, the applicable limits announced from time to time by the Issuer which amounts shall be based on state and area median income figures published by the United States Department of Housing and Urban Development from time to time.

"*Mortgage*" means the written instrument securing the related Mortgage Loan and encumbering a Single Family Residence, which instrument for FHA-Insured Mortgages, VA Guaranteed Mortgages or RD Guaranteed Mortgages shall be the then-effective form required by FHA for FHA Insured Mortgages, the form required by VA for VA Guaranteed Mortgages, and the

form required by RD for RD Guaranteed Mortgages, as applicable, with appropriate riders, and which instrument for Conventional Mortgage Loans shall be in the form required by Freddie Mac or Fannie Mae, as applicable, with appropriate riders.

"*Mortgage File*" means the mortgage documents listed in the applicable Lender's Guide provided by the Master Servicer, pertaining to a particular Mortgage Loan.

"*Mortgage Loan*" means a mortgage loan at a fixed rate of interest for a loan term of not to exceed 30 years (or such shorter term as shall be provided in a Notice of Acceptance) from the date of the first payment of principal and interest to 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 and in conformity with the mortgage loan origination standards of FHA, VA and/or RD and the mortgage loan origination procedures of GNMA, Freddie Mac or Fannie Mae, as applicable, which the Master Servicer purchases from Lender pursuant to this Agreement and the terms of which comply with this Agreement.

"*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 Guaranteed Loans and the form required by Freddie Mac or 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 Single Family Residence by the Master Servicer.

"*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 in the Single Family Residence).

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

(a) As to the Issuer:

Housing Finance Authority of Miami-Dade County (Florida)
25 West Flagler Street, Suite 950
Miami, Florida 33130-1720
Attention: Director
Fax: (305) 371-9152

(b) As to the Trustee:

Wells Fargo Bank, National Association
MAC: T2693-110
301 East Pine Street, Suite 1150
Orlando, Florida 32801
Attention: Corporate Trust Department
Fax: (407) 514-2575

(c) As to the Master Servicer:

During the Origination Period:
U.S. Bank Home Mortgage-MBRP Division
17500 Rockside Road
Bedford, OH 44146
Attention: Sally Mazzola
Scott Schmitt
Elaine Wojtowicz

After the Origination Period:
U.S. Bank Home Mortgage-MBRP Division
17500 Rockside Road
Bedford, OH 44146
Attention: Sally Mazzola
Scott Schmitt
Elaine Wojtowicz

(d) As to Program Administrator:

Housing and Development Services, Inc.
d/b/a eHousingPlus
2685 Executive Park Drive, Suite 8
Weston, Florida 33331
Attention: Paloma Miranda
Email: paloma.miranda@ehousingplus.com
Phone: (954) 217-9597, Ext. 210
Fax: (954) 217-9598
and
3588 Lincoln Way
Cooper City, Florida 33026-9765
Attention: Patricia Denihan
Email: patt@ehousing.cc
(954) 430-6072

(e) As to Lender, the address shown on the Offer to Originate.

"*Notice of Acceptance*" means, with respect to each series of Bonds, the form of notice to be given by the Issuer to each Lender for such series of Bonds, with a copy to the Master Servicer and the Program Administrator, by which Lenders are notified, among other things, of the acceptance of their Offers to Originate, the stated interest rates established for the Series of Bonds, the origination and discount points, if any, assistance amounts, if any, their Program Allocation, their Targeted Area Allocation, if any, their approved Builder Reservation(s), if any, and the applicable Application Start Date. Each Notice of Acceptance shall be accompanied by the applicable Program Determinations, the acceptance of which must be acknowledged by the Lender, the Master Servicer, the Program Administrator and the Trustee.

"*Offer to Originate*" means, with respect to each series of Bonds, the Lender response to the Invitation pursuant to which a Lender offers to originate Mortgage Loans related to such Series of Bonds in accordance with the provisions of this Agreement.

"*Origination Fee*" means a fee to be retained by the Lender as partial compensation for originating each Mortgage Loan, payable in the manner provided in Section 4.03 hereof, the amount of which shall be set forth in the Notice of Acceptance for each series of Bonds.

"*Origination Period*" means, with respect to each Series of Bonds and subject to Section 4.10 hereof, the period for the Master Servicer's Purchase of Mortgage Loans from the Lenders commencing on the related Application Start Date and ending on the date (or dates) set forth in the Notice of Acceptance unless extended as provided in the related Series Indenture; provided that the Origination Period shall end at least 30 days before the end of the related Certificate Acquisition Period (or such lesser number of days as may be approved by the Master Servicer).

"*Participation Fee*" means a fee payable to the Master Servicer by Mortgagor and/or the Builder or seller, in such amount and payable at such times as shall be set forth in the applicable Series Program Determinations.

"*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 any private mortgage insurance company approved by Fannie Mae or Freddie Mac, as applicable, and providing Private Mortgage Guaranty Insurance on Conventional Mortgage Loans.

"*Pool Documentation Package*" means those documents as required to be submitted to (a) GNMA in connection with the submission of a "pool" for guaranty by GNMA in accordance with the GNMA Guide, (b) Freddie Mac in connection with the submission of a "pool" for a guaranty by Freddie Mac in accordance with Freddie Mac Guides and (c) Fannie Mae in connection with the submission of a "pool" for a guaranty by Fannie Mae in accordance with the Fannie Mae Guides.

"*Pool Purchase Contract*" means the Fannie Mae Pool Purchase Contract or the Freddie Mac Pool Purchase Contract, between the Master Servicer and Fannie Mae or Freddie Mac, as applicable, relating to the sale by the Master Servicer of Conventional Mortgage Loans to Fannie Mae or Freddie Mac, as applicable, 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 or Freddie Mac, as applicable, in accordance with the applicable Fannie Mae Guides or Freddie Mac Guides.

"*Program Administration Agreement*" or "*Administration Agreement*" means, with respect to a specified Series of Bonds, the Master Program Administration Agreement between the Issuer and the Program Administrator and any supplements thereto executed in connection with the issuance of such Series of Bonds.

"*Program Administrator*" or "*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 Administration Agreement or any successor thereto.

"*Program Allocation*" means, with respect to each Lender participating in a 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 related Master Servicer pursuant to the Lender's Offer to Originate and the Issuer's Notice of Acceptance with respect to such Series of Bonds.

"*Program Documents*" shall mean this Agreement, the Program Administration Agreement and each Pool Purchase Contract as such documents may be amended or supplemented from time to time.

"*Purchase*" means any purchase by the Master 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 Master Servicer occurs, which dates shall be established by the Master Servicer during the Origination Period, as set forth in the Lender's Guide.

"*Qualified Appraiser*" means an individual or firm that is approved by FHA, VA and/or RD or acceptable to the PMI Insurer and/or GNMA, Freddie Mac or Fannie Mae, as applicable, to act in such capacity.

"*Qualified Rehabilitation*" means, unless otherwise provided in the Series Program Determinations, any rehabilitation of a building if:

- (i) there is a period of at least 20 years between the date on which the building was first used and the date on which the physical work on such rehabilitation begins;
- (ii) in the rehabilitation process—
 - (A) 50% or more of the existing external walls of such buildings are retained in place as external walls;
 - (B) 75% or more of the existing external walls of such buildings are retained in place as internal or external walls;
 - (C) 75% or more of the existing internal structural framework of such building is retained in place; and
- (iii) the expenditures for such rehabilitation are 25% or more of the Mortgagor's adjusted basis in the residence.

For the purposes of clause (iii), the Mortgagor's adjusted basis shall be determined as of the completion of the rehabilitation or, if later, the date on which the Mortgagor acquires the residence.

"*Qualified Rehabilitation Loan*" means any owner-financing provided in connection with:

- (i) a Qualified Rehabilitation, or
- (ii) the acquisition of a residence with respect to which there has been a Qualified Rehabilitation,

but only if the Mortgagor to whom such financing is provided is the first resident of the residence after the completion of the rehabilitation and who executes an affidavit in form satisfactory to bond counsel.

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

"RD Guarantee" means a guaranty of a Mortgage Loan pursuant to the Rural Development Service's Guaranteed Rural Housing Loan Program, and RD Guaranteed shall have a correlative meaning.

"Repurchase Price" means, with respect to a Mortgage Loan or a proportionate interest in a GNMA Certificate, Freddie Mac Security or Fannie Mae Security attributable to a Mortgage Loan to be repurchased by a Lender pursuant to Section 4.11, (i) 100% of the unpaid principal balance of such Mortgage Loan plus (ii) any accrued and unpaid interest at the annual rate borne by the Mortgage Note to the end of the month following the date of the repurchase, plus (iii) any fees charged the Master Servicer by GNMA, Freddie Mac or Fannie Mae, as applicable, for repurchase or withdrawal of the Mortgage Loan out of the applicable Pool, if applicable, plus (iv) any servicing acquisition fee paid by the Master Servicer with respect to such Mortgage Loan, plus (v) if such repurchase is made necessary by the willful misfeasance or bad faith on the part of the Lender, or by reason of the Lender's reckless disregard of its obligations hereunder, an amount equal to 3% of the unpaid principal amount of such Mortgage Loan.

"Series", "Series of Bonds" or "Bonds of a Series" means any Series of Bonds authorized by a Series Supplement.

"Series Indenture" means, with respect to a Series of Bonds, the Master Indenture and the applicable Series Supplement pursuant to which such Series of Bonds is issued and secured, and all amendments or supplements thereto.

"Series Program Determinations" means the Series Program Determinations made by the Issuer in its sole discretion which are set forth as an Exhibit to the applicable Notice of Acceptance. The acceptance of such Series Program Determinations shall be evidenced by the execution of an acknowledgment and agreement by the Master Servicer, the Trustee, the Program Administrator and each Lender.

"Series Targeted Area Allocation" means, with respect to each Series of Bonds, that portion, if any, of the Lender's Program Allocation which must be used to make Mortgage Loans in Targeted Areas, as designated in the Lender's Notice of Acceptance.

"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; 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, which complies with Section 4.05 hereof and which is located within the Eligible Loan Area, including a unit in a condominium or Planned Unit Development meeting GNMA, Freddie Mac or Fannie Mae standards, and acceptable to FHA, VA or RD, as applicable, including two-, three- or four-family residences, 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 or of the completion of rehabilitation with respect to a Qualified Rehabilitation 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 Special Program. A Single Family Residence is "existing" if it has been occupied prior to such commitment.

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

"*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.

"*State*" means the State of Florida.

"*Targeted Areas*" means the areas listed as such in the Lender's Guide, and subject to amendment from time to time by the Issuer or the Servicer.

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

"*Trustee*" means Wells Fargo Bank, National Association, or its successor or assigns and any co-trustee appointed under the related Series 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 Department of Veterans Affairs, 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, Lender, the Trustee, the Administrator 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 Dade 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 making of this Agreement.

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

Section 2.02. Representations, Warranties and Covenants of Lender. Each Lender represents and warrants to, and covenants with, the Issuer, the Trustee, the Program Administrator 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 mortgages 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 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 to Issuer hereunder).

(c) Lender has the power to accept the terms of this Agreement and to execute and deliver this Agreement and 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 this Agreement, 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 omit to 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 any Bonds of the Issuer.

(f) Lender is not under any cease and desist order or other order or injunction of a similar nature, temporary or permanent, of any federal or state authority, nor are there any proceedings presently in progress, or to its knowledge contemplated or threatened, which would, if successful, lead to the issuance of any such order.

(g) Lender shall furnish such documents at or prior to delivery of each series of 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), unless waived by the Master Servicer, (iii) a GNMA approved "issuer-servicer" in good standing, and (iv) if Conventional Mortgage Loans to be purchased under the Fannie Mae or Freddie Mac programs are to be originated, a Fannie Mae or Freddie Mac approved lender in good standing acceptable to the PMI Insurer, unless waived by the Master Servicer. The Lender will notify the Master Servicer in writing at such time as its status with respect to items (i) - (iv) 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 Serviceman's Readjustment Act, as amended, with all rules and regulations issued thereunder and with all administrative publications, (iii) with respect to each Mortgage Loan, with all the requirements of, and the "Representations and Warranties of Lender" set forth in, the GNMA Guide, Freddie Mac Guides or Fannie Mae Guides, as applicable, (iv) any and all applicable laws governing or regulating the origination of mortgage loans and (v) approved by and in good standing with the Master Servicer.

(j) Lender (i) is currently authorized to make mortgage loans in the State, (ii) is currently originating mortgage loans for single family residences within the Eligible Loan Area, (iii) has an office located within the Eligible Loan Area (unless otherwise waived by the Issuer) and (iv) is a "lending institution" as that term is defined in the Florida Housing Finance Authorities Law, Section 159.601, et seq.

(k) Lender agrees to indemnify and hold harmless jointly and severally the Issuer, the Trustee, the Program Administrator and the 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 or breach of law.

(l) There is no litigation pending or, to the Lender's knowledge, threatened, against the Lender 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) pending 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, individually or, in the aggregate, could have a material adverse effect on the financial position or results of the operations of the Lender.

(m) There are no bankruptcy, insolvency, reorganization or other similar proceedings (including proceedings whereby a regulatory body is to take managerial control of Lender) instituted by or against the Lender, and the Lender has not made any assignment for the benefit of its creditors or voluntarily suspended payment of its obligations.

(n) All information provided by Lender to the Issuer in connection with the issuance of any Series of Bonds will be true and correct when given and each Lender will notify the Issuer, the Program Administrator and the Master Servicer in writing within three Business Days of any material change in such information.

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

(p) In connection with the transactions contemplated by the Program Documents, the Lender will not directly or indirectly contract or enter 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 Special Program, other than any agreement expressly authorized by the Program Documents. In particular, the Lender warrants that, prior to the delivery of any Offer to Originate to Issuer, it will not have 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 Special Program.

(q) No information, certificate of an officer or statement furnished in writing, or report required hereunder, delivered to any Master Servicer, any Program Administrator, the Issuer or any 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.

(r) Lender shall promptly notify Issuer, Trustee, Program Administrator and Master 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.

(s) Lender shall use diligent, reasonable efforts to become and to remain familiar with all FHA, VA, RD, GNMA and/or Fannie Mae and/or Freddie Mac, if applicable, rules

and regulations applicable to the Special Program, including, but not limited to, any changes in the GNMA and/or Fannie Mae and/or Freddie Mac servicing fee, size of Pools or other features affecting the Purchase of Mortgage Loans hereunder. Any failure of Issuer or Master Servicer to inform Lender of changes in FHA, VA, RD, GNMA and/or Fannie Mae and/or Freddie Mac rules and regulations affecting the Special Program shall not relieve Lender of its obligations under this subsection.

(t) In instances, if any, where in the reasonable judgment of the Master Servicer, based upon adverse information with respect to a Mortgage Loan received by the Master Servicer in connection with the origination of a Mortgage Loan, inspection of a Single Family Residence is advisable, the Master Servicer may require the originating Lender, and Lender hereby covenants, to (A) inspect the Single Family Residence prior to Purchase of the Mortgage Loan by Master 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 (B) certify to the Master Servicer in writing as to the foregoing facts.

(u) Prior to Purchase by the Master Servicer, Lender shall service the Mortgage Loans, which shall include posting payments and paying taxes.

Section 2.03. Representations, Warranties and Covenants of the Master Servicer. The Master Servicer represents and warrants to, and covenants with, the Lender, the Program Administrator, the Issuer and the Trustee that:

(a) The Master Servicer is a corporation duly organized, validly existing and in good standing under the laws of the state of its organization, 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 accept the duties of Master Servicer hereunder comply with its obligations under the terms of this Agreement. The acceptance of the duties of Master Servicer hereunder by the Master Servicer have been duly authorized by all necessary corporate action.

(b) The acceptance of the duties of Master Servicer hereunder by the Master Servicer and the performance and compliance with the terms hereof by it in the manner contemplated herein 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 Master 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 Master Servicer is a party or which may be applicable to it or any of its assets.

(c) The acceptance of the duties of Master Servicer hereunder by the Master Servicer and the performance and compliance with the terms hereof by it in the manner contemplated herein 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 accepted or executed and delivered by the Master Servicer, when duly authorized, accepted or executed and delivered by all other parties thereto, will constitute valid, legal and binding obligations of the Master Servicer, enforceable against the Master Servicer in accordance with their respective terms, except as the enforcement thereof may be limited by applicable debtor relief laws.

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

(f) With respect to the servicing of Mortgage Loans, the Master 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 Serviceman's Readjustment Act, as amended, all rules and regulations issued thereunder and all applicable administrative publications, (iii) as to each Mortgage Loan, with the provisions of the GNMA Guide and/or the Fannie Mae Guides, and/or the Freddie Mac Guides if applicable, and all other pertinent rules, regulations, policies and guidelines of GNMA, and (iv) as to each Conventional Mortgage Loan, with the provisions of the related Pool Purchase Contract, the Fannie Mae Guides, the Freddie Mac Guides and all other applicable rules of Fannie Mae and Freddie Mac, as applicable.

(g) With respect to its duties hereunder, the Master Servicer will comply with the applicable non-discrimination provisions of the Civil Rights Act of 1964, and 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 Master Servicer will report to the Issuer and the related Trustee, as more fully set forth in this Agreement, 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.

(i) The Master 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 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, however, that the Servicer may, without violating the covenant contained in this subsection 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, if the surviving, resulting or transferee entity, as the case may be, shall have a net worth equal to or greater than the net worth of the Servicer immediately preceding any such merger, consolidation or sale of assets, shall be qualified under the laws of the State to do business in the State, shall be qualified under the laws and have all necessary approvals, as evidenced to the satisfaction of the Issuer, required of the Servicer to perform Servicer's duties under this Agreement, and shall assume in writing all of the obligations of the Servicer under this Agreement, in which event the Issuer shall release the Servicer in writing, concurrently with and contingent upon such assumptions from all obligations so assumed.

(j) No information or statement furnished in writing or report required hereunder delivered to the Issuer or the Trustee will, to the knowledge of the Master 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 Master 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 Master 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 of a Series in an amount equal to the amount of Mortgage Loans to be acquired by Master Servicer under the Special Program financed by such series of Bonds.

(m) **[Intentionally Omitted.]**

(n) The Servicer is familiar with all GNMA, Freddie Mac and Fannie Mae rules and regulations applicable to the Special Program and shall use diligent, reasonable efforts to become and to remain familiar with all GNMA, Freddie Mac and Fannie Mae rules and regulations applicable to the Special Program, including, but not limited to, any changes in the GNMA, Freddie Mac and Fannie Mae servicing rates, size of GNMA, Freddie Mac and

Fannie Mae Pools or other features affecting the purchase of Mortgage Loans under this Agreement for this Program, and promptly shall notify all Lenders of such changes of which the Servicer becomes aware during the Origination Period for such Program.

(o) From time to time, the Servicer will report to the Issuer and the Trustee, as more fully set forth in this Agreement, information relating to the Mortgage Loans, and will do every act and thing that may be necessary or reasonably required to perform its duties under this Agreement. The Servicer shall provide to the Trustee and the Issuer, in conjunction with each payment, the reports required by GNMA, Freddie Mac and Fannie Mae with respect to Mortgage Loans underlying the GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities.

(p) The GNMA Certificates, upon the issuance, execution and delivery thereof, will constitute legal, valid and binding obligations of the Servicer enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by Debtor Relief Laws; provided that no GNMA Certificate, Freddie Mac Security or Fannie Mae Security will constitute a liability of, nor evidence any recorded debt against the Servicer, since each is based on and backed by Mortgages, and recovery may be made from GNMA, Freddie Mac or Fannie Mae, as applicable, in the event of any failure of timely payment as provided for in the GNMA Guaranty Agreements or contractual agreements appended to the GNMA Certificates or with respect to Freddie Mac Securities or Fannie Mae Securities, as applicable.

(q) The Servicer will not knowingly take any action or fail to take any action or permit any action within its control to be taken which would impair the exclusion from gross income for federal income tax purposes of interest on the Bonds and will file with the Commissioner of Internal Revenue Service on behalf of the Issuer for each calendar year in which moneys under the Indenture are used to purchase GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities, information reports as set forth in Section 9.18 hereof designed to comply with regulations promulgated under Section 143(6) of the Internal Revenue Code of 1986, as amended.

(r) The Servicer is a Fannie Mae-approved seller-servicer, a Freddie Mac-approved seller-servicer and GNMA-approved issuer-servicer of USDA: Rural Development Guaranteed, FHA Insured and VA Guaranteed mortgage loans and an authorized issuer of GNMA Certificates and authorized seller of Freddie Mac Securities and Fannie Mae Securities and will remain so approved for the term of this Agreement.

(s) **[Intentionally Omitted]**

(t) No merger by or sale of the assets of the Servicer under Section 2.03(i) shall be effective to transfer the rights and obligations of the Master Servicer hereunder without the prior written approval of the Issuer (which approval shall not unreasonably be withheld), GNMA, Freddie Mac and Fannie Mae, except for mergers with or sales to entities the ownership and management of which is substantially identical to that of the Servicer. Any entity into which, pursuant to the terms hereof, the Servicer may be merged or consolidated, or any entity resulting from any merger, conversion or consolidation to which the Servicer shall be a party, pursuant to the terms hereof, or any entity succeeding to the business of the Servicer, pursuant to the terms hereof, shall be the successor of the Servicer hereunder and shall assume in writing all of the obligations of the Servicer hereunder.

(u) On the date hereof, there is no pending, or to Servicer's knowledge, threatened litigation or administrative proceedings against Servicer, which, if adversely determined, would materially affect Servicer and its assets or its ability to purchase and service Mortgage Loans in compliance with the Special Program.

(v) The Servicer covenants to obtain and maintain sufficient MBS Commitments to meet the anticipated needs of the Special Program.

(w) In connection with the MBS Commitment, and pursuant to the Custodial Agreement that the Custodian shall execute prior to the issuance of the GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities, the Custodian will retain for the term of the Special Program or such other period of time as required by GNMA, Freddie Mac or Fannie Mae, as applicable, (i) the original Mortgage Note, (ii) the unrecorded Assignment of Mortgage to GNMA, Freddie Mac or Fannie Mae; (iii) the original recorded Mortgage, (iv) all intervening recorded assignments of the Mortgage, if any, (v) the mortgagee's title insurance policy, and (vi) the applicable FHA Mortgage Insurance Certificate, VA Loan Guaranty Certificate, RD Loan Guaranty Certificate or Private Mortgage Guaranty Insurance policy if so required. The Servicer may appoint any substitute custodian in the place of the Custodian at any time with the prior written consent of GNMA, Freddie Mac or Fannie Mae, as applicable.

Section 2.04. Representations, Warranties and Covenants of the Program Administrator.

The Program Administrator represents and warrants to, and covenants with, each Lender, the Trustee, the Master Servicer and the Issuer, that:

(a) The Administrator is and at all pertinent times in the future in connection with each Program in which it acts as Administrator will be a corporation duly organized, validly existing and in good standing under the laws of the state of its organization, is duly qualified and in good standing to transact business in the State, and possesses and will possess all requisite authority, power, licenses, permits and franchises to conduct any and all business contemplated by this Agreement and the Program Administration Agreement (the "Administration Program

Documents") and to execute, deliver and comply with its obligations under the terms of the Administration Program Documents. The acceptance of the duties of Administrator hereunder and performance of the Administration Program Documents by the Administrator have been duly authorized by all necessary corporate action.

(b) The execution and delivery of the Administration Program Documents by the Administrator in the manner contemplated herein, and the acceptance of its duties hereunder from time to time with respect to a Program, and the performance and compliance with the terms hereof by it will not now or then 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 Administrator, 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 material breach of, any material contract, agreement or other instrument to which the Administrator 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 Administrator in the manner contemplated herein and the acceptance of its duties hereunder from time to time with respect to a Program, and the performance and compliance with the terms hereof by it do not now and will not then 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 Administrator, when duly executed and delivered by the other parties hereto and thereto, will constitute valid, legal and binding obligations of the Administrator, enforceable against the Administrator in accordance with their respective terms, except as the enforcement thereof may be limited by applicable debtor relief laws.

(e) With respect to its duties hereunder, the Administrator will comply with the applicable non-discrimination provisions of the Civil Rights Act of 1964, and the regulations promulgated thereunder, Executive Order 11246, Equal Employment Opportunity, dated September 24, 1965 and any other Presidential Executive Orders applicable to the Special Program as a recipient of federal financial assistance and the Fair Housing Amendments Act of 1988.

(f) From time to time, the Administrator will report to the Issuer, the Servicer and the Trustee, as more fully set forth in this Agreement, 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.

(g) The Administrator 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, and

will possess all requisite authority, power, licenses, permits and franchises to conduct any and all business contemplated by the Administration Program Documents and to execute, deliver and comply with its obligations under the terms of the Administration Program Documents. The execution, delivery and performance of the Administration Program Documents by the Administrator in connection with each Program have been and will have been duly authorized by all necessary corporate action. The Administrator agrees that so long as it shall continue to serve in the capacity contemplated under the terms of this Agreement, it 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, however, that the Administrator may, without violating the covenant contained in this subsection, 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 entity all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting or transferee entity, as the case may be, shall have a net worth acceptable to the Issuer, shall be qualified under the laws of the State to do business in the State, shall be qualified under the laws and have all necessary approvals required of the Administrator evidenced to the satisfaction of the Issuer to perform the Administrator's duties under this Agreement, and shall assume in writing or by operation of law all of the obligations of the Administrator under this Agreement and the Program Administration Agreement, in which event the Issuer shall release the Administrator in writing, concurrently with and contingent upon such assumption, from all obligations to the Issuer so assumed.

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

(i) Neither the Administrator 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 the Servicer under any Program.

(j) The Administrator and its officers, directors and principal shareholders are not now and will not be so long as it acts as a Administrator of any Program, affiliated with the Trustee or Master Servicer of any such Program, or with the Issuer, or, to the knowledge of the Administrator, any Lender in such Program or any of their respective affiliates (unless it has obtained the written consent of the Issuer).

(k) In connection with any third party request for information pursuant to the Florida Public Records Act, Chapter 119, Florida Statutes ("FPRA"), the Administrator agrees to comply with the provisions of the FPRA which exempt from disclosure certain personal information provided by applicants for Mortgage Loans under each Program. Information to be kept confidential and exempt from disclosure includes the applicant(s) social security numbers, bank account numbers, debit, charge and credit card numbers, medical history and information relating

to health or property insurance.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF BOND PROCEEDS

Section 3.01. Issuance of Bonds; Application of Bond Proceeds. The Issuer may, from time to time, issue, sell and deliver Bonds of a Series on the terms and basis set forth in the applicable Series Indenture and apply the proceeds of such Series of Bonds in the manner required by such Series Indenture.

Section 3.02. No Legal or Equitable Interest of Lender in Funds or Accounts Under an Indenture. The Lender shall have no legal or equitable right to any funds or accounts created by or pursuant to a Series Indenture, or to any of the proceeds of a Series of Bonds, 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 Bonds pursuant to a Series Indenture.

ARTICLE IV

COMMITMENTS TO BUY AND SELL MORTGAGE LOANS

Section 4.01. Commitments To Buy and Sell Mortgage Loans; Program Allocations; Builder Reservations; Targeted Area Allocations.

(a) *Invitations to Participate; Offers to Originate; Program Allocations.* Prior to the issuance of a series of Bonds, the Issuer shall distribute an Invitation to each Lender hereunder as well as any additional mortgage lending institutions selected by the Issuer. In order to be considered for participation in a Series Program, a Lender shall deliver an Offer to Originate in the form and at the time designated by the Issuer. Subsequent to the Issuer's receipt of the Offer or Offers to Originate, the Issuer shall, in its sole and absolute discretion, provide Series Program Allocations to all Lenders selected for participation in the Series Program to be financed with the proceeds of a series of Bonds or if applicable, create a first-come, first-served pool. Upon the Issuer's delivery of Notices of Acceptance with respect to a Series of Bonds and subject to any reservation of a Series Program Allocation for any of the Mortgage Loans described in paragraphs B, C and D of this Section 4.01, the Master Servicer for such Series hereby agrees to purchase and take delivery from Lender, and Lender agrees to use its best efforts to originate and thereafter sell and assign to such Master Servicer, Mortgage Loans conforming to the requirements of this Agreement in an aggregate principal amount equal to Lender's Series Program Allocation or otherwise allowable amount if a reservation pool is established, at the Mortgage Loan Purchase price set forth in the Notice of Acceptance 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 Master Servicer, all on the conditions and terms set forth in the Offer to

Originate and in this Agreement. The purchase price for each Mortgage Loan shall be paid in accordance with Section 4.09 hereof. The Master Servicer's obligation to purchase and take delivery is subject to the availability of sufficient funds under the related Series Indenture for the Trustee to purchase GNMA Certificates or cause Fannie Mae Securities or Freddie Mac Securities to be issued in accordance with the provisions of the related Series Indenture. Notwithstanding the foregoing, no Lender shall originate a Disaster Area Loan until the Servicer has notified each Lender that the Issuer has authorized the purchase of Disaster Area Loans.

Lender acknowledges that as a condition to purchase of each of the Mortgage Loans by the Master Servicer, the Mortgage Loan shall (i) be current in payments of principal, interest and tax and insurance escrows and (ii) be in compliance with the applicable requirements of FHA, VA, RD, GNMA, Fannie Mae, Freddie Mac, the Program Documents, the Lender's Guide, the GNMA Guide and/or Fannie Mae Guides and/or Freddie Mac Guides, if applicable, and the PMI Insurer with respect to Conventional Mortgage Loans, if applicable.

Lender understands and agrees that Commitments, including Commitments made from Builder Reservations, if any, shall be made to applicants on a first-come, first-served basis. Lender is required to utilize procedures to ensure the application of the first-come, first-served requirement.

Each Lender's Series Program Allocation may be held for Builder Reservations subject to the further provisions of this Section and the Notice of Acceptance for the Series regarding the time period for commitment of funds, provided that, unless otherwise provided in the Notice of Acceptance, no more than 50% of the total funds available under a Series Program may be so reserved for builders without the prior consent of the Issuer. The amount of approved Builder Reservation(s) for each Lender shall be specified in the Notice of Acceptance. Unless otherwise provided in the Notice of Acceptance or authorized by the Issuer, 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 50% of the total funds available to purchase Mortgage Loans under a Series Program.

The Lender shall, to the extent the Lender subsequently collects fees on funds reserved by a builder for which the builder paid a reservation fee to the Lender, refund to the builder such portion of the Commitment Fee, if any, paid by such builder as shall be set forth in the Notice of Acceptance.

The Lender shall require that any builder for whom funds from a Series of Bonds have been reserved shall exhaust its Builder Reservations from such Series of Bonds prior to seeking any other Program funds from such Series of Bonds for Mortgage Loans on Single Family Residences located in projects and subdivisions identified in the Offer to Originate for such Series of Bonds.

In its sole and absolute discretion, the Issuer may establish deadlines for Mortgage Loan commitments, Mortgage Loan closing and Mortgage Loan deliveries for any type of Mortgage Loan to be originated under a Series Program. Any such deadlines shall be set forth in the applicable Lender's Guide. If the Lender fails to meet any such deadline, any Mortgage Loan submitted by Lender after such deadlines shall be automatically cancelled. In a Program with Series Program Allocations, the Issuer, in its sole discretion, may reallocate all or part of such unused Series Program Allocation either to a general pool or to other Lenders, as the Issuer deems appropriate. Upon any such reallocation, the Issuer will make provision for application of Commitment Fees on such terms as it deems equitable and in the best interests of the Series Program, provided that no Lender shall be entitled to reimbursement of more than the Commitment Fees it has paid and only in the event that such amounts are collected by or from another Lender.

In its sole and absolute discretion, the Issuer may repurchase all or any portion of a Lender's Series Program Allocation by paying or arranging for the payment of the Commitment Fees theretofore paid by the Lender proportionate to the amount of Series Program Allocation being repurchased.

In the event the Issuer extends the Origination Period with respect to a Series Program as provided in the applicable Series Indenture, the Issuer may, in its discretion, allocate funds available during such extended period and may, in its discretion, provide for reimbursement of Commitment Fees. The Issuer shall promptly notify the Program Administrator of any change in allocations in writing.

During the Origination Period with respect to a Series of Bonds, a Lender, with the prior written consent of the Issuer and the Program Administrator, may transfer all or a portion of its Series Program Allocation to one or more other Lenders. A Lender's request for consent to such transfer shall set forth the terms and conditions of the transfer and the proposed transferee, all of which must be acceptable to the Issuer and the Program Administrator. The Issuer and the Program Administrator shall advise the affected Lenders of the decision with respect to any requested transfer by sending a notice in writing to such Lenders. In no event may a Lender charge or receive any fee or remuneration for the Program Allocation being transferred, other than reimbursement for the pro rata portion of such Lender's Commitment Fee relating to the Special Program Allocation, or portion thereof, being transferred.

All Program Allocations shall terminate automatically upon the termination of the related Origination Period. Nothing in this Section 4.01 shall be construed to permit the origination or Purchase of any Mortgage Loan to be financed with a Series of Bonds following the end of the related Origination Period.

Lender shall originate Mortgage Loans to be financed with a Series of Bonds and close and deliver such Mortgage Loans at such times as will enable the Master Servicer to Purchase such

Mortgage Loans during the related Origination Period, and as set forth in the Notice of Acceptance and the Lender's Guide.

The provisions of each Invitation to Participate, the Offer to Originate and Notice of Acceptance 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 INVITATION TO PARTICIPATE, THE OFFER TO ORIGINATE, A NOTICE OF ACCEPTANCE AND THIS AGREEMENT, THE PROVISIONS OF THIS AGREEMENT SHALL CONTROL.

(b) Targeted Area Set Asides; Targeted Area Pool; Targeted Area Allocations; Targeted Area Loan Amount.

(i) A portion of the funds made available by the issuance of Bonds of a Series, other than Bonds issued to refund all or a portion of the Bonds of another Series, in amounts specified by the Internal Revenue Code and the applicable Treasury Regulations equal to the Series Targeted Area Loan Amount shall be made available exclusively for the purpose of making Targeted Area Loans as provided herein, except as may otherwise be provided in the Series Program Determinations for a specific Series of Bonds. The Series Targeted Area Loan Amount, if any, shall be set forth in the applicable Series Program Determinations.

(ii) If provided in a Notice of Acceptance, if Program Allocations to Lenders are to be utilized, each Lender may be required to reserve for a period of one year from the Application Start Date with respect to a Series Program the amount set forth as such Lender's Series Targeted Area Reservation in such Lender's Notice of Acceptance for the origination of Mortgage Loans to finance Single Family Residences located in Targeted Areas; provided, however, that unless otherwise approved by the Lender, no Lender's Series Targeted Area Reservation shall exceed 20% of such Lender's Series Program Allocation. During such one year period from the Application Start Date, the Master Servicer shall not be obligated to purchase from a Lender Mortgage Loans that are originated to finance Single Family Residences not located in Targeted Areas in an aggregate principal amount greater than such Lender's total Series Program Allocation less the amount of such Lender's Series Targeted Area Allocation. The Lender shall use reasonable diligence to originate Mortgage Loans for acquisition of Single Family Residences in Targeted Areas in an amount at least equal to the Lender's Series Targeted Area Allocation. At the end of 12 months, moneys previously designated for the purchase of Targeted Area Mortgage Loans may be used to purchase spot loans.

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 Single Family Residence, and not for the purpose of refinancing any existing loan other than a Qualified Rehabilitation Loan, or 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.

Each Mortgage Loan to be sold to a Master Servicer must be evidenced by a Mortgage Note secured by a first lien Mortgage on the Single Family Residence acquired thereby and made in accordance with Lender's then current underwriting policies and the then current underwriting policies of FHA, VA, RD, the PMI Insurer, if any, GNMA, Freddie Mac and Fannie Mae, as applicable, and all other requirements established by this Agreement and the then current criteria set forth in the GNMA Guide, the Freddie Mac Guides or the Fannie Mae Guides, as applicable, and in any event subject to final review by the Master Servicer. All Mortgage Loans eligible for inclusion in a GNMA Certificate shall be insured by FHA, guaranteed by VA or guaranteed by RD, as applicable, and all Mortgage Loans eligible for inclusion in a Fannie Mae Security or Freddie Mac Security shall be insured by a PMI Insurer to the extent required by Fannie Mae or Freddie Mac.

Each Mortgage Loan (i) shall bear interest at the rate set forth in the related Notice of Acceptance, (ii) shall provide for 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 to exceed 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 GNMA Guide, the Freddie Mac Guides, the Fannie Mae Guides, the Lender's Guide and FHA, VA, RD or PMI Insurer's 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 Freddie Mac, Fannie Mae, FHA, VA or RD, as applicable, the Program Documents, the Lender's Guide, the GNMA Guide, the Freddie Mac Guides and the Fannie Mae Guides, and (vii) shall be the subject of a mortgagee's title insurance policy. Each Mortgage shall have attached to it written provisions as to assumption and/or acceleration in the applicable form set forth in the Lender's Guide. Lender shall originate all Mortgage Loans in accordance with the loan origination, eligibility and credit underwriting standards of FHA, VA, RD, Freddie Mac or Fannie Mae, as applicable, and the GNMA Guides, the Freddie Mac Guides, the Fannie Mae Guides and the Lender's Guide.

Additionally, the Notices to Buyers (in the applicable form set forth in the Lender's Guide) must be used in connection with the origination of FHA Insured, VA Guaranteed Mortgage Loans or Conventional Mortgage Loans, respectively. A copy of the executed Notice to FHA Buyers, Notice to Veterans or Notice to Conventional Buyers, as applicable, must accompany the application for insurance or guaranty, Form HUD 92900 or Fannie Mae Form 1003, and be included in the Mortgage File.

At the time of each initial application, Lender shall deliver to Mortgagor a copy of the form set forth in Exhibit B-1 attached hereto and in the Lender's Guide which form shall be acknowledged by the Mortgagor and at the time of closing with a statement completed by the

related Lender in the form of Exhibit B-2 hereto informing the Mortgagor of any potential recapture tax for federal income tax purposes on the sale or other disposition of the Single Family Residence and containing the information necessary for the Mortgagor to determine the amount of any such recapture tax. This requirement shall not apply if the Issuer and the related Master Servicer have received an opinion of Bond Counsel indicating that the federal income tax status of the interest on the related series of Bonds will not be adversely affected by the failure to provide such statement. The Issuer will notify each Lender, the Master Servicer and the Trustee that it has received such opinion of Bond Counsel.

Each Mortgagor, if required by the loan type, must participate in a home ownership and personal finance counseling program as described in the Lender's Guide. Completion of the program must be documented by a letter in the Mortgage File from the sponsor of the program.

With respect to a unit of a condominium or a PUD, such unit must be acceptable to Freddie Mac, Fannie Mae, FHA, VA or the PMI Insurer, as applicable, and must meet applicable GNMA, Freddie Mac or 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 FHA requirements.

Section 4.03. Processing, Origination Fees and Closing Costs. In connection with each Mortgage Loan, the Lender may, as permitted by FHA, VA, RD, Freddie Mac or Fannie Mae, as applicable, charge and collect from the Mortgagor or seller of a Single Family Residence at the time of Closing of the Mortgage Loan such application fees, funding fees, tax service fee, the Origination Fee (which Origination Fee shall not in any event exceed the applicable Freddie Mac, Fannie Mae, FHA, VA or RD limits), or Discount, as shall be set forth in the related Notice of Acceptance, and 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, the preliminary Mortgage Loan review fee, documentary and intangible taxes, if any, recording or registration taxes, the tax service contract fees and life of loan flood monitoring fees as specified in the Lender's Guide, and charges, prepaid escrow deposits and similar charges. The HUD-1 Settlement Statement and related loan documents shall separately and distinctly disclose the fees set forth above that are payable to the Program Administrator or Master Servicer. In addition, Lender may collect at the time of loan application (i) an application fee not to exceed the costs of the appraisal and the credit report (any moneys remaining out of the application fee must be refunded or credited at the time of Closing) and (ii) such portion of the Participation Fee as shall be set forth in the related Notice of Acceptance, from the Mortgagor or Seller as permitted by Freddie Mac, Fannie Mae, FHA, VA or RD, as applicable. **Under Florida law, the note and mortgage are exempt from documentary stamp and intangible taxes under Florida law.** 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 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 Mortgager's Federal Income Tax Returns. Prior to Closing, unless otherwise required by specific Series Program Determinations, 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 immediately preceding calendar years filed by the Mortgagor. 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 three years for which such return is unavailable. The Lender shall verify from such returns or other available information 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, unless the Mortgage Loan is for a Single Family Residence located in a Targeted Area. 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 by causing the potential Mortgagor to request the same in writing on Internal Revenue Service Form 4506.

Section 4.05. Acquisition Price of a Residence. The Acquisition Price of a Single Family Residence may not exceed the Maximum Acquisition Price. The Acquisition Price of a Single Family Residence is the cost of acquiring the Single Family 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 Single Family Residence. A Single Family 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 Single Family 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 cost of acquisition. Similarly, if as part of the purchase of the Single Family 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 Single Family Residence.

(b) If a Single Family Residence is incomplete, the reasonable cost of completing the Single Family 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 cost of acquisition of the Single Family 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 cost of acquisition of the Single Family Residence.

(c) Where a Single Family 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 Price *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 points paid by the seller, even though borne by the buyer through a higher Acquisition Price) or other costs of financing the Single Family 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 Single Family Residence.

(b) The value of services performed by the Mortgagor or members of the Mortgagor's family in completing the Single Family Residence (or a Dwelling Unit constituting part of the Single Family 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 Single Family Residence. Similarly, where the Mortgagor purchases an incomplete

Single Family Residence the acquisition cost includes the cost of material and labor paid by the Mortgagor to complete the Single Family Residence but does not include the imputed value of the Mortgagor's labor or the labor of the Mortgagor's family in completing the Single Family 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 Single Family Residence (or a Dwelling Unit constituting part of the Single Family Residence) begins.

Section 4.06. First Time Homebuyer. Except with respect to Single Family Residences located in a Targeted Area and Disaster Area and Qualified Rehabilitation Loans or as otherwise provided in specific Series Program Determinations, each Mortgagor must be a First Time Homebuyer. 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 Closing. For the purposes of the preceding sentence, the Mortgagor's interest in the 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 with respect to a particular residence, each of such Mortgagors must meet the three-year requirement. 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 residence, it is not necessary that the parent meet the three-year requirement since the parent is not a Mortgagor of the residence. Cosigners may only provide additional security and may not be utilized to qualify a Mortgagor for a Mortgage Loan.

Examples of interests which constitute present ownership interests (and thus would result in a potential 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 or factory-made housing that is required to be taxed as real property under State law, is permanently affixed to realty and with respect to which the Mortgagor owns the realty on which it is affixed.

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 or factory-made housing that is not required to be taxed as real property under State law, is not permanently affixed to realty or with respect to which the Mortgagor does not own the realty on which it is affixed.

Section 4.07. Program Administration Guidelines. .

Requirements for Lenders to submit the Compliance File documentation to the Program Administrator are specified in the applicable Lender's Guide provided by the Program Administrator for each Series of Bonds, the provisions of which shall be incorporated herein by reference. Requirements for Lender to submit the Mortgage File documentation to the Master Servicer are specified in the applicable Lender's Guide provided by the Master Servicer for each Series of Bonds, the provisions of which shall be incorporated herein by reference.

Lenders are required to utilize the Program Administrator's Web-based (internet) "Loan Management System" for the reservation tracking and reporting processes necessary to originate Mortgage Loans under the Special Program and the Program Website to access all required guidelines, forms, notices and other pertinent program information.

Section 4.08. Submission of Mortgage Files to the Servicer.

(a) Lender shall submit to the Master Servicer, with respect to each Mortgage Loan, the documents described in and at the times no later than these times required in the Lender's Guide. Lender shall pay all costs of preparing and furnishing such files to the Master Servicer. The Master Servicer shall not purchase any Mortgage Loan that does not have Compliance Approval (as defined in the Lender's Guide) by the Program Administrator. Preliminary review and approval shall not assure the subsequent Purchase of a Mortgage Loan by the Master Servicer in the event that factual changes occur with respect to the Mortgage File or the Special Program between the date of preliminary approval and such Purchase Date.

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

(c) Notwithstanding the delivery procedures of this Section 4.08, the Master Servicer may, in its discretion in connection with a Purchase, accept Mortgage Files which contain certified copies of the Mortgage and the Assignment of Mortgage in lieu of the originals of same and a valid commitment for the issuance of a mortgagee's title insurance policy in lieu of a title insurance policy and may approve the applicable 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 recorded Mortgage and original recorded Assignment of Mortgage, the title insurance policy and FHA Mortgage Insurance Certificate, VA Loan Guaranty Certificate, RD Guaranty Certificate or Private Mortgage Guaranty Insurance, if applicable, must be submitted to the Master Servicer within 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 Master Servicer shall, upon receipt of such originals and certified copies, if applicable, file copies of same with the related Mortgage File.

(d) The Purchase of Mortgage Loans hereunder shall take place on each Purchase Date, pursuant to the schedule of Purchase Dates established by the Master Servicer with respect to a series of Bonds. 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 Master 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 Master Servicer not later than the Purchase Date or as directed by the Master Servicer. All notices to FHA, VA, RD, the PMI Insurer, Freddie Mac or Fannie Mae which are required to be given under applicable FHA, VA, RD, PMI Insurer, Freddie Mac or Fannie Mae requirements shall be given by the Lender prior to Purchase. In the event that Lender receives any payment on a Mortgage Loan after the Purchase of such Mortgage Loan, the Lender forthwith shall forward such payment (properly endorsed to the Master Servicer, if the payment was payable to Lender) to the Master Servicer.

(e) The Master Servicer will issue periodic announcements of Purchase Dates. Purchase Dates are anticipated to occur weekly (unless otherwise provided for a particular Series Indenture), commencing on the Application Start Date. The Master Servicer shall have no obligation to purchase Mortgage Loans unless they 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.

(f) The Master Servicer shall not be obligated to Purchase any Mortgage Loan unless the documents described in the Lender's Guide with respect to such Mortgage Loan have been received by the Master Servicer for review not later than 15 days following the Closing date, or such later date as may be approved by the Master Servicer for good cause.

(g) Lender shall deliver the original executed Mortgage, Mortgage Note and Assignment of Mortgage to the Master 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 Master Servicer," 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 County sufficient to constitute the Master Servicer's ownership of the Mortgage and Mortgage Note. Lender shall further perform any other action or deed as the Master Servicer may direct to cause the proper filing or recording of the Assignment of Mortgage in such other places and in such other manner, form or condition satisfactory to the Master Servicer as is necessary to perfect the Master Servicer's security interest in each such Mortgage Note and related Mortgage.

Section 4.09. Purchase of Mortgage Loans By the Master Servicer. For each Mortgage Loan originated by a 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 Master Servicer in the form required or permitted hereby and for which Master Servicer certifies that all of the other conditions of this Agreement have been fulfilled, the Master 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 amount set forth in the Notice of Acceptance (in each case plus any accrued interest less unearned prepaid interest), less, the tax service contract fees and life of loan flood monitoring fees as specified in the Lenders Guide, as well as any amounts collected by participant during the servicing of the Mortgage Loan prior to purchase by the Master Servicer, to be transferred to the Master Servicer.

Lender acknowledges that, as a condition of the Purchase of the Mortgage Loan by Master 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 Fannie Mae, FHA, VA or RD, as applicable, the GNMA Guide, the Freddie Mac Guides or the Fannie Mae Guides, the PMI Insurer, the Lender's Guide and this Agreement.

Section 4.10. Termination of Origination Period by Master Servicer for Failure of Trustee To Purchase GNMA Certificates or Fannie Mae Securities. The Lenders acknowledge that the Master Servicer with respect to a Series of Bonds may terminate the Origination Period for such Series of Bonds at any time upon written notice to Lenders if the Trustee for such Series of Bonds fails to purchase GNMA Certificates, Freddie Mac Securities or Fannie Mae Securities in accordance with the related Program Administration and Servicing Agreement due to insufficient funds in the related Acquisition Fund for such purchase. Such Master Servicer will not be required to purchase any Mortgage Loans which have not been purchased by the Master Servicer prior to the date of a notice delivered pursuant to this Section 4.10.

Section 4.11. Defective Documents and Nonqualifying Mortgage Loans; Repurchase of Loans by Lender; Indemnification; Refund of Service Release Premiums.

(a) A "Defect" will exist with respect to a Mortgage Loan if:

(i) Any document constituting a part of the Mortgage File, in the sole judgment of the Master Servicer, is defective or inaccurate in any respect or shall not be valid and binding or the Lender fails to make timely delivery of any document required for a Mortgage File;

(ii) Any representation or warranty of the Lender in the sole judgment of the Master Servicer, is untrue or incorrect in any material respect;

(iii) The Mortgagor fails to make any payment due under the Mortgage Loan through the first payment due under the Mortgage Loan following the purchase of the Mortgage Loan by the Master Servicer;

(iv) The Master Servicer forecloses on the Mortgage Loan pursuant to Section 4.11(b) hereof; or

(v) The Mortgage Loan is not eligible for inclusion in a Pool backing a GNMA Certificate, Freddie Mac Security or Fannie Mae Security, as applicable, pursuant to the GNMA Guide, Freddie Mac Guides or Fannie Mae Guides, as applicable, or, after pooling, is required to be withdrawn from the Pool or repurchased pursuant to the GNMA Guide, Freddie Mac Guides or the Fannie Mae Guides, as applicable.

If, following the Purchase of any Mortgage Loan, and notwithstanding the review of the related Mortgage File by the Master Servicer, a Defect is discovered with respect to the Mortgage Loan, then the Lender who sold the Mortgage Loan to the Master Servicer shall, if the Defect is susceptible to cure, cure such Defect within a period of 60 days from the time it receives notice of the existence of such Defect or such shorter period as may be required by law or this Agreement, and if any Defect with respect to a Mortgage Loan is not cured within such 60-day period, or such shorter period if applicable, or if the Defect is not susceptible of cure, the Lender who sold the Mortgage Loan to the Master Servicer shall, not later than 30 days after expiration of the cure period or, if the Defect is not susceptible to cure, receipt of the notice to it of the Defect, repurchase the Mortgage Loan from the Master Servicer for a price equal to the Repurchase Price. In all cases, whether or not the Mortgage Loan has been repaid or otherwise satisfied, a Lender shall indemnify and hold harmless the Issuer, the Trustee and the Master Servicer for any loss, damage, forfeiture, penalty or expenses (including reasonable attorneys' fees) incurred by any one or more of them in connection with or as a result of a Defect with respect to any Mortgage Loan sold to the Master Servicer by the Lender. For the purpose of this Section 4.11, the falsity of a representation by a Mortgagor respecting some fact or facts that (i) the Lender is entitled to rely upon under the provisions of this Agreement, (ii) is of such nature that, although false, security for payment of the pertinent Mortgage Loan is not thereby adversely affected, (iii) is relied upon by the Lender in good faith, (iv) does not require withdrawal of the Mortgage Loan from the applicable Pool and (v) in the opinion of Bond Counsel, does not adversely affect the tax-exempt status of the related series of Bonds, shall not be deemed a defect or inaccuracy. The Repurchase Price of a defective Mortgage Loan shall be remitted by the Lender to the Master Servicer, with written notice from the Lender to the Trustee of the amount of such remittance and the Mortgage Loan concerned and, upon compliance with all of the terms of this Section 4.11 by such Lender, the Master Servicer shall assign and deliver the related Mortgage File to the Lender without recourse. The Lender hereby waives any statutes of limitations or other laws that might otherwise be raised in defense to any

repurchase obligation hereunder. If a Lender fails to repurchase a defective Mortgage Loan at the time and in the manner provided in this Section, the Master Servicer shall terminate all of the Lender's rights pursuant to Section 6.01 hereof, and may pursue any and all other remedies that may be available hereunder or otherwise at law or in equity.

(b) Notwithstanding anything set forth in Section 4.11(a) to the contrary, in the event the Master Servicer, the Issuer, the Program Administrator or the Lender becomes aware subsequent to a Purchase Date that any Mortgage Loan, as of the date of execution of the Mortgage, did not satisfy the requirements of Section 143 of the Code as set forth herein or any other provision of this Agreement and such Mortgage Loan is not required to be repurchased by the Lender pursuant to paragraph (a) above, such party shall notify the Master Servicer, whereupon the Master Servicer shall provide written notice by certified mail, return receipt requested, to the Mortgagor declaring the entire unpaid balance of the Mortgage Loan due and payable and the Master Servicer shall then pursue foreclosure.

(c) Each Lender hereby agrees to repurchase any Mortgage Loan sold to 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. FHA, VA, Rural Housing (RHS), Fannie Mae, GNMA or any other investor as may be identified in the Special 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 Mortgage 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) Lender's breach of any covenant or obligation to the Master Servicer with respect to the Mortgage Loan under this Agreement, the applicable Special Program guidelines, Bond documents or Bond program manuals.

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.

(d) The Lender shall protect, indemnify, and hold 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.

(e) (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 Mortgage Loans and \$3,000 on FHA, VA and RD Mortgage Loans.

(f) EACH LENDER CLOSES MORTGAGE LOANS WITH THE RISK THAT IT MAY HAVE TO REPURCHASE SUCH MORTGAGE LOANS OR AN INTEREST IN THE RELATED GNMA CERTIFICATE OR FANNIE MAE SECURITIES FROM THE MASTER SERVICER AS PROVIDED IN THIS SECTION 4.11.

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, the Program Administrator and the Master Servicer as to each Mortgage Loan delivered for Purchase that:

(a) The information set forth in each Mortgage File and the Compliance File will be true and correct at the Purchase Date, 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, the Freddie Mac Guides and the Fannie Mae Guides, including full disbursement of Mortgage Loan proceeds as reflected in the HUD-1 statement;

(b) Each Mortgage Loan will be made by Lender at the price set forth in the Notice of Acceptance with 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 Eligible

Loan Area, will be substantially in accordance with then current underwriting policies of Lender, the underwriting standards set forth in the GNMA Guide, the Freddie Mac Guides and/or the Fannie Mae Guides and the requirements established hereby, subject to acceptance of Freddie Mac, Fannie Mae, FHA, VA or RD, as applicable, or of the PMI Insurer under the PMI Policy will be made for the purpose of purchasing or providing permanent financing for such Single Family 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 level monthly debt service payments (plus require payments for deposit in the Escrow Account established pursuant to the Servicing Agreement to provide for the timely payment of taxes, insurance and similar payments), will be made to an Eligible Person or Family, as Mortgagor, and will not be assumable except as provided in Section 4.17;

(c) Each Mortgage Loan will provide for the final payment of the balance of all principal and interest within the time periods authorized in the Notice of Acceptance;

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

(e) As of the Purchase Date, each Mortgage Loan will be secured by the Mortgage as required under the GNMA Guide, Freddie Mac Guides or Fannie Mae Guides, which will constitute a valid first lien on the property financed by the Mortgage Loan, subject only to (i) the lien of current (accrued but not yet due and payable) real property taxes and assessments, (ii) 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, (iii) 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 (iv) 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 Master Servicer such lien(s) or encumbrance(s) individually or in the aggregate materially impairs the security of the Mortgage;

(f) As of the Purchase Date, Lender shall have in its possession with respect to the property financed by the Mortgage Loan and secured by the Mortgage 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), in an amount at least equal to the outstanding principal amount of the Mortgage Loan 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 (e);

(g) As of the Purchase Date, the improvements upon the real property subject to the Mortgage Loan will be covered by a valid and existing Standard Hazard Insurance Policy and Flood Insurance Policy and condominium insurance, as applicable, and as required by the GNMA Guide, the Freddie Mac Guides or 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, except for such waivers, alterations and the like effected by Lender prior to the Purchase Date acceptable to GNMA, Freddie Mac or Fannie Mae, as applicable, pursuant to the GNMA Guide, Freddie Mac Guides or Fannie Mae Guides, as applicable, and, if applicable, to the PMI Insurer;

(i) As of the Purchase Date, the Mortgage Loan shall be current as to principal and interest payments and payments for tax and insurance escrows 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, Freddie Mac Guides or 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, Freddie Mac Guides or Fannie Mae Guides, as applicable, and, if applicable, the PMI Insurer;

(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 County, 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, Freddie Mac Guides or 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 and such risks are permitted by the GNMA Guide, Freddie Mac Guides or 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, VA Guaranty or RD Guaranty of the Mortgage, or, if applicable, any Private Mortgage Guaranty Insurance;

(t) As of the Purchase Date, the Mortgagor shall have agreed to make payments on the Mortgage Loan and such Mortgage Loan is in accordance with this Agreement and the Special 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 or any other information submitted in connection with origination of the Mortgage Loan are not true and correct;

(v) Each Mortgage and Assignment of Mortgage to Master 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 perfect the lien of real estate mortgages against the adverse or competing claims of third parties by giving public notice thereof or to perfect Master Servicer's ownership of the Mortgage Loan shall also have been accomplished;

(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 of the Code and the Special Program; and

(x) Each Conventional Mortgage Loan shall be insured under valid and effective Private Mortgage Guaranty Insurance issued by a PMI Insurer and meeting the requirements of this Agreement, the Freddie Mac Guides and the Fannie Mae Guides if and to the extent private mortgage insurance for the Mortgage Loan is required by the Freddie Mac Guides and the Fannie Mae Guides, as applicable.

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 Master Servicer and that the representations, warranties and covenants shall inure to the benefit of the transferees and assigns of the Master Servicer which may include GNMA, Freddie Mac, Fannie Mae, the Trustee, the Issuer and the Bondholders. Upon discovery by Lender, the Trustee, GNMA, Freddie Mac, Fannie Mae, the Master Servicer, the Program Administrator or the Issuer of a breach of any of the foregoing representations, warranties and covenants, 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 the manner 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 Master Servicer, the Issuer and the Trustee where Lender has acted in good faith.

Section 4.13. Proceeds of Commitment Fee. The Commitment Fee, if any, submitted to the Trustee with the Offer to Originate in the form of a certified or cashier's check shall be held by the Trustee and applied in accordance with the terms of the related 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, age, sex or marital status of such applicant or military status; 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 related 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. Disclosures to Borrowers. Lender shall provide to each prospective Mortgagor at the time of (i) receipt of loan application, a statement in the form attached hereto as Exhibit "B-1" and as provided in the Lender's Guide, and (ii) the loan closing, a statement in the form attached hereto as Exhibit "B-2" and as provided in the Lender's Guide (or such substitute forms as shall be designated by the Issuer and provided to Lenders by the Program Administrator).

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:

(i) 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 related Master 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 related Master 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 Master Servicer may require the Lender to obtain such coverage prior to accepting the Mortgage Loan for purchase;

(ii) 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);

(iii) insurance policies must be sufficient in amount and scope of coverage to meet any applicable requirements of GNMA, Freddie Mac, Fannie Mae, FHA, VA or RD, as applicable, and, if applicable, PMI Insurers;

(iv) policies containing a deductible clause of no more than \$250, applicable to either fire or extended coverage or both, are acceptable in areas where such provisions are mandatory or customary;

(v) each Mortgage Loan must provide that, in the event of any loss settlement on a Standard 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

(vi) each Standard 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 Master 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 property financed with Mortgage Loan sold to the Master 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 Master 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, bylaws 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 Master Servicer or the Mortgageor from collecting insurance proceeds.

(D) All Standard Hazard Insurance Policies must contain or have attached the standard mortgagee clause customarily used within the Eligible Loan Area naming the Master Servicer, and/or its assigns, as the mortgagee. The policy must provide that the insurance carrier will notify the Master Servicer at least 30 days in advance of the effective date of any cancellation or modification 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 Master Servicer as first lienholder and (iii) cause all insurance drafts, notices, policies, invoices and other documents to be delivered directly to the Master Servicer, regardless of the manner in which the insurance policy is endorsed. The Lender shall cause the Master Servicer's address to be used in the endorsement.

(E) The Master 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 all mortgage loans to PUD unit owners, 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 50 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 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 Master 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 Master 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 Master Servicer whenever (i) damage to a family unit covered by a Mortgage Loan held by the Master Servicer exceeds \$1,000 or (ii) damage to common areas and related facilities exceeds \$10,000. If the Master 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, Master Servicer may release (subject to any required GNMA, Freddie Mac, Fannie Mae, PMI Insurer, FHA, VA or RD approval, as applicable, and in accordance with currently applicable GNMA, Freddie Mac, Fannie Mae, PMI Insurers, FHA, VA or RD 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; provided, however, that such assumption

may only be permitted if (i) the purchaser is an Eligible Person or Family (determined as of the date of the assumption as if the Mortgage Loan was first being made on that date), (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) the Acquisition Price of the Single Family Residence does not exceed limits then applicable for an existing Single Family Residence within the Eligible Loan Area (determined as of the date of the assumption as if the Mortgage Loan was first being made on that date) as established by the Issuer and adjusted as necessary for Disaster Area Loans and Targeted Area Loans, which determination is supported by affidavits contained in the Lender's Guide, (iv) the Mortgage Loan continues to be insured under the insurance policies described in this Agreement and approved by the Master Servicer, (v) the purchaser's Current Annual Family Income does not exceed the then-current Maximum Current Annual Family Income (determined as of the date of the assumption as if the Mortgage Loan was first being made on that date), as established by the Issuer, (vi) the Mortgage Loan must continue to comply with the requirements of Fannie Mae, FHA, VA and RD, the Program Documents, the Lender's Guide, the Freddie Mac Guides, the Fannie Mae Guides or the GNMA Guide, as applicable, (vii) the Master 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, (viii) except for residences in a Targeted Area and Disaster Area Loans or Qualified Rehabilitation Loans, the purchaser is a First Time Homebuyer (determined as of the date of the assumption as if the Mortgage Loan was first being made on that date) and (ix) it does not contain terms which Master Servicer has been advised will affect the exclusion from gross income (for federal income tax purposes) of interest on the Bonds. In connection with any such assumption agreement, the interest rate of the related Mortgage Note shall not be changed; however, the Master Servicer may charge in connection with each assumption an assumption fee not to exceed the maximum amount permitted by Freddie Mac, Fannie Mae, FHA, VA or RD, as applicable, plus, to the extent permitted by law, and Freddie Mac, Fannie Mae, FHA, VA or RD, as applicable, the reasonable and customary out-of-pocket costs paid or incurred by Master Servicer.

Section 4.18. Lender To Transfer Mortgage Loans and Servicing Thereof to Master Servicer. Prior to the Purchase Date, Lender shall assign and transfer each Mortgage Loan and the servicing thereof to the Master Servicer in exchange for payment of the Purchase price on the Purchase Date as provided in this Agreement. Under the Servicing Agreement, on and after the Purchase Date, Master Servicer will perform all servicing functions relating to each Mortgage Loan. After the issuance date of each Pool, Master Servicer will be governed by the GNMA Guide, the Freddie Mac Guides or Fannie Mae Guides, as applicable, and the MBS Agreement and Pool Purchase Contract.

Section 4.19. Origination of Rehabilitation Loans. Lenders are encouraged to originate Mortgage Loans which are rehabilitation loans, including without limitation Qualified Rehabilitation Loans and Section 203(k) loans, in accordance with all GNMA, Freddie Mac, Fannie Mae, FHA, VA, RD and PMI Insurer requirements, as applicable. The Master Servicer will purchase

rehabilitation Mortgage Loans at such time as the Master Servicer shall determine in its sole discretion. Therefore, prior to the origination of a rehabilitation Mortgage Loan, Lenders must reach an agreement with the Master Servicer with respect to the purchase of such Mortgage Loan. The Master Servicer shall not be responsible for, nor undertake any inspections, approve construction draws or otherwise participate in servicing functions during the construction period relating to such rehabilitation Mortgage Loan. Such functions shall be the responsibility of the Lender originating such Mortgage Loan.

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. 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 of any series of Bonds 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 5.03. Lender Not To Resign. Upon the receipt of a Program Allocation with respect to a Series of Bonds, 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 with respect to such Series of Bonds 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 Master Servicer. Notwithstanding the foregoing, nothing contained herein shall require the Lender to request a Program Allocation for any Series of Bonds nor shall anything contained herein require the Issuer to provide the Lender with a Program Allocation for each Series of Bonds.

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

Section 5.04. 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, VA, RD, GNMA, Freddie Mac or Fannie Mae for parties acting in their capacity under the Special Program.

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 Trustee shall, upon the direction of the Issuer or the Master Servicer and if indemnified for its costs, 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 promptly to originate and offer Mortgage Loans complying with the requirements of this Agreement to the Master Servicer for Purchase on behalf of the Issuer.

(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, marshalling 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, marshalling 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, the Program Administrator or the Master Servicer shall have actual knowledge that any representation of or warranty by Lender to the Master Servicer, the Issuer, the Program Administrator 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, VA or RD approved mortgagee, a GNMA issuer-servicer or Freddie Mac or Fannie Mae approved lender or a material adverse change in the Lender's financial condition.

(g) Lender shall fail to perform or observe any covenant, agreement or condition on its part contained herein and the continuance thereof for a period of thirty (30) days after written notice thereof to the Lender by the Issuer, the Master Servicer or the Trustee.

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, the Program Administrator or the Master 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 it will pay or reimburse the Issuer, the Trustee, the Program Administrator or the Master Servicer on demand the reasonable fee of attorneys (and legal assistants) and such other incurred expenses.

Section 6.04. Liability of the Master Servicer, Program Administrator or Issuer. The Master Servicer, the Program Administrator 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, the Program Administrator nor the Master Servicer shall be liable in any respect for the appointment or removal of a successor Lender by the Master Servicer or the Issuer or owe any duty with respect to such appointment or removal other than as otherwise provided herein.

Section 6.05. Servicing Termination. (a) Master Servicer may be terminated only as provided in the GNMA Guide as modified by the MBS Agreement, the Freddie Mac Guides and the Fannie Mae Guides and as provided in (b) below.

(b) Upon the happening of any one or more of the following events (and after any applicable cure period), the Issuer may terminate this Agreement with respect to the Servicer as provided in Section 6.06 hereof and shall have the other remedies specified therein, provided that prior to such termination, the Issuer shall have received the written approval of GNMA, Freddie Mac and Fannie Mae to terminate this Agreement:

(i) Failure by the Servicer duly to observe or perform in any respect any covenant, condition or agreement in this Agreement to be observed or performed, for a

period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Servicer by the Issuer unless the Issuer shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice is correctable and cannot be corrected within the applicable time period, the Issuer will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Servicer within the applicable period and diligently pursued until the default is corrected.

(ii) (A) 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, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Servicer and such decree or order shall have remained in force, undischarged or unstayed for a period of sixty (60) days; and (B) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a receiver or liquidator in any proceedings initiated by the Office of the Comptroller of the Currency (or other federal or state regulatory agency with authority to appoint a conservator, receiver or liquidator for the Servicer), shall have been entered against Servicer and such decree or order shall have remained in force undischarged or unstayed for a period of 48 hours.

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

(iv) The Servicer 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.

(v) The Issuer shall discover or be notified that any representation of or warranty by the Servicer set forth herein or in the other Program Documents is false in any material respect.

Section 6.06. Remedies. Whenever any cause referred to in Section 6.05 hereof shall have happened and be continuing, the Issuer may, upon the expiration of any applicable cure period, take any one (1) or more of the following remedial steps:

(a) By notice in writing and with the written approval of GNMA, Freddie Mac and Fannie Mae, the Issuer may, subject to applicable State and federal law, terminate all of the

Servicer's rights and obligations under this Agreement. On or after the receipt by the Servicer of such written notice, all authority and power of the Servicer under this Agreement shall pass to and be vested in a substitute servicer (which may but need not be the Trustee and the Trustee shall have no duty to serve as administrator); provided that such substitute servicer is acceptable to GNMA, Freddie Mac, Fannie Mae and the Issuer and further provided that such substitute servicer is a Fannie Mae-approved seller-servicer, a Freddie Mac-approved seller-servicer and GNMA-approved issuer-servicer of FHA Insured, VA Guaranteed and RD Guaranteed mortgage loans and an authorized issuer of GNMA Certificates and an authorized seller of Freddie Mac Securities and Fannie Mae Securities and will remain so approved for the remaining term of this Agreement. The Trustee on behalf of the Issuer, and after being assured of indemnification of its costs is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of any such termination. The Servicer agrees to cooperate with the Trustee and the Issuer in effecting the termination of the Servicer's responsibilities hereunder including, without limitation, the transfer to the substitute servicer by it of the Mortgage Files and all cash amounts (excluding amounts lawfully due and owing to the Servicer hereunder) which shall at the time be held by the Servicer or thereafter received with respect to the Mortgage Loans.

(b) The Issuer or the Trustee, on behalf of the Issuer, and after being assured of indemnification of its costs, may take whatever other action at law or in equity may appear necessary or desirable to collect from the Servicer the amounts then due and thereafter to become due under this Agreement or to enforce performance and observance of any obligation, agreement or covenant of the Servicer under this Agreement.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Indenture.

Section 6.07. Appointment of Successor. At the time the Servicer receives a notice of termination pursuant to Section 6.06(a), the substitute servicer shall succeed to all rights and obligations of the Servicer under this Agreement. As compensation therefor, the substitute servicer shall be paid a reasonable fee; provided, however, to the extent such fee is equal to or less than the fee then being paid to the Servicer, such fee shall be payable only from funds which the Servicer would have been entitled to receive if the Servicer had continued to act hereunder, but in no event shall a substitute servicer receive a fee from Pledged Revenues in excess of the fee the Servicer would have been entitled to hereunder, if any. Notwithstanding the above, the Issuer shall appoint any established mortgage loan servicing organization acceptable to FHA, VA, RD, GNMA, Freddie Mac and Fannie Mae, as the successor to the Servicer hereunder in the assumption of all or any part of the responsibilities, duties or liabilities of the Servicer hereunder. In connection with such appointment and assumption, the Issuer may make such arrangements for the reasonable

compensation of such successor out of payments on Mortgage Loans or as otherwise provided herein. After the Servicer receives notice of termination under Section 6.06(a), the Servicer shall be entitled to no further payments or compensation of any kind other than the payments for which services were rendered prior to such termination. The Issuer shall take such action, consistent with this Agreement, as shall be necessary to effectuate any such succession.

Section 6.08. 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 6.05 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 Issuer or the Trustee on behalf of the Issuer to exercise any remedy reserved to the Issuer in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 6.09. Agreement to Pay Attorneys' Fees and Expenses. (a) In the event the Servicer should fail to perform its obligations under any of the provisions of this Agreement, the Issuer or the Trustee on behalf of the Issuer shall, prior to employing attorneys or incurring other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Servicer herein contained, notify the Servicer in writing of such failure to perform and allow the Servicer thirty (30) days thereafter to cure such failure. If the Servicer has not cured, or denied in writing to the Trustee or Issuer, such failure to perform within said thirty (30) days, and the Trustee or Issuer should employ attorneys or incur other reasonable expenses to enforce the provisions of this Agreement against the Servicer, the Servicer agrees, to the extent permitted by law, that it will pay or reimburse the Trustee or the Issuer on demand the reasonable fees of such attorneys and such other reasonably incurred expenses.

(b) If it is determined by a final judicial proceeding (after all appeals have been taken or the time for taking an appeal has expired), by arbitration, by stipulation or by consent, either express or implied, that the Servicer has failed to perform its obligations under any of the provisions of this Agreement and the Trustee or the Issuer should employ attorneys or incur other reasonable expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Servicer herein contained, then the prevailing party shall be reimbursed on demand for reasonable attorneys' fees and expenses (including those incurred at appellate levels). For the purpose of this Section 6.09(b), the term "prevailing party" means the party whose position is substantially sustained in the final disposition of the controversy.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.01. Amendments, Changes and Modifications. This Agreement may be amended, changed, modified, altered or terminated only with the written consent of the Lender, the Issuer, the Trustee, the Program Administrator and the Master Servicer.

Section 7.02. Recordation of This Agreement. This Agreement, or a memorandum of any portion or portions hereof executed by the Issuer and Lender, is subject to recordation among the Land Records of Dade 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 related Indenture and for the equal benefit of all Bondholders with respect to a series of Bonds.

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, unless otherwise provided herein or in the Lender's Guide to be provided by email transmission, 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, the Program Administrator or the Master Servicer shall also be given to the others. The Issuer, the Lender, the Trustee, the Program Administrator or the Master Servicer may, by a 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 Master Servicer, the Program Administrator 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, GNMA Certificates, Freddie Mac Securities or Fannie Mae Securities collateralized by Mortgage Loans are outstanding or GNMA, Freddie Mac or Fannie Mac shall own any Mortgage Loans made hereunder, whichever is later, or until such time as terminated pursuant to Section 6.06 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 Master Servicer, the Program Administrator, GNMA, Freddie Mac, 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 County, the State, the Issuer 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 the County 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. 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.

Section 7.12. [Intentionally Omitted].

Section 7.13. Books and Records. The Servicer agrees to keep proper books, records and accounts in accordance with the GNMA, Freddie Mac Guides and Fannie Mae Guides and sufficient to comply with reporting requirements applicable to the Bonds imposed by the Code. The Servicer shall make such books and records available for inspection and copying by the Issuer and the Trustee during normal business hours and under reasonable conditions.

Section 7.14. Transfer of Duties. Upon termination of this Agreement, the Servicer shall promptly, but not later than thirty (30) days after such termination, supply all reports, documents and information which are required by the Program Documents, and which are customarily provided upon such termination, to any person or entity designated by the Issuer and shall use its best efforts to effect the orderly and efficient transfer of its duties to a new servicer designated by the Issuer, including preparation of accounting statements in the form required by GNMA, Freddie Mac and Fannie Mae, and delivered to the Issuer, or its designee, of all money held and all papers

and records pertaining to such Mortgage Loans, and the Issuer shall, as provided herein, provide for reimbursement to the Servicer for any amounts advanced by the Servicer and required to be reimbursed by the Issuer hereunder.

Section 7.15. Conflicts of Interest; Servicer's Access to Privileged Information Concerning Mortgagor's Accounts. Through normal servicing activities, including the servicing of delinquencies, the Servicer may sometimes obtain privileged information concerning the Mortgagors and their Single Family Residences. Such privileged information may be used by the Servicer or by its officers, employees, agents or affiliates, only as contemplated by the Program Documents. All such information must be used in a manner consistent with any applicable laws or regulations regarding disclosure of credit information. The Servicer shall not acquire any property which secures a Mortgage Loan except in accordance with the GNMA Guide, the Freddie Mac Guides and the Fannie Mae Guides, as applicable, and the Servicer shall not permit, to its knowledge, its officers, employees, agents or affiliates, to acquire any property which secures a Mortgage Loan, unless the Issuer has informed the Servicer in writing that it does not object to such acquisition. The Servicer may solicit Mortgagors for mortgage-related products offered by the Servicer or its affiliates.

Section 7.16. Joinder in Legal Proceedings. Upon the request of the Servicer, and at the Servicer's sole expense, the Issuer and/or the Trustee shall join as parties plaintiff in any legal proceeding brought by the Servicer against any Lenders concerning any obligations of Lenders under this Agreement. In the event that the Issuer or the Trustee shall join in any such legal proceeding at the request of Servicer, Servicer shall indemnify, and hold harmless, the Issuer and the Trustee from any and all costs and expenses in any form and for whatever reason incurred, including, but not limited to any and all costs and attorneys' fees of a defendant required to be paid by the Issuer and the Trustee by court order in the event of a judgment in favor of such defendant.

Section 7.17. Agreement to Pay Attorneys' Fees and Expenses. If it is determined by a final judicial proceeding (after all appeals have been taken or the time for taking an appeal has expired), by arbitration, by stipulation or by consent, either express or implied, that the Servicer has failed to perform its obligations under any of the provisions of this Agreement and the Trustee or the Issuer should employ attorneys or incur other reasonable expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Servicer herein contained, then the prevailing party shall be reimbursed on demand for reasonable attorneys' fees and expenses, including those incurred at appellate levels. For the purpose of this Section 7.17, the term "prevailing party" means the party whose position is substantially sustained in the final disposition of the controversy.

ARTICLE VIII

LIMITED RESPONSIBILITIES

Section 8.01. Trustee's Limited Responsibilities. The parties hereto acknowledge that the Issuer has entered into the Administration Agreement with the Program Administrator and this Agreement with the Master Servicer which impose certain responsibilities on the Program Administrator and the Master Servicer, including review as to whether or not a mortgage loan submitted by the Lender for purchase is a Mortgage Loan as defined herein. The Trustee has not assumed and expressly disclaims responsibility for performance of the Master Servicer's and Program Administrator's responsibilities under the Administration Agreement and this Agreement, including determination as to whether a mortgage loan submitted for purchase is a Mortgage Loan, except as specifically provided in the Indenture, Administration Agreement and this Agreement concerning termination of the Master Servicer's rights under this Agreement or the Program Administrator's rights hereunder or under the Administration Agreement. The Trustee shall be entitled to rely on the certification of the Master Servicer as to the qualification of a mortgage loan submitted for purchase as a Mortgage Loan as defined herein.

Section 8.02. Program Administrator's Duties and Responsibilities. Except as herein specifically referenced, the duties and responsibilities of the Program Administrator are as provided in the Program Administration Agreement.

ARTICLE IX

SERVICER'S DUTIES AND RESPONSIBILITIES

Section 9.01. Limitation on Liability of Directors, Officers, Employees and Agents of the Servicer. No director, officer, employee or agent of the Servicer shall be under any personal liability to the Issuer, the Trustee or the Owners of the Bonds for any action taken in good faith or for refraining from the taking of any action in good faith pursuant to this Agreement, or for errors in judgment.

Section 9.02. The Servicer Not to Resign. The Servicer 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 the Servicer shall be made on the basis of evidence satisfactory to the Issuer. No such resignation shall become effective until a successor servicer shall have assumed the Servicer's responsibilities and obligations in accordance with Section 6.07 hereof.

Section 9.03. Servicer's Duties and Responsibilities. The Servicer shall not consent to any changes in the terms and conditions of any Mortgage Loan, the release of specified property from the lien of a Mortgage or the grant of an easement or right of way upon property securing a Mortgage Loan, except any such amendment, release or grant which is not inconsistent with or prejudicial to the rights and interests of GNMA, Freddie Mac or Fannie Mae, or of the PMI Insurer, Issuer, Trustee or the owners of the Bonds; and provided further that no such change shall affect the time or amounts of payment of principal and interest on the Mortgage Loan or the obligation to pay taxes and maintain insurance on the property securing the Mortgage Loan at the times and in the manner specified in this Agreement.

The Servicer shall diligently enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans, including the prompt payment of all Mortgage Loan principal and interest payments and all other amounts due thereunder and compliance with all provisions of this Agreement. Except as provided in Article IV of this Agreement, the Servicer shall not release the obligations of any mortgagor under any Mortgage Loan, provided that this provision shall not be construed to prevent the Servicer from settling, in case of a default in payment thereof, any Mortgage Loan on such terms as the Servicer shall determine to be in the best interests of the Issuer and the Bondholders or as otherwise provided in the GNMA Guide, the Fannie Mae Guides or the Freddie Mac Guides, as applicable. In the event that the insurers of any insurance policy contemplated under the Special Program shall cease to be licensed in the State of Florida, or cease to comply with the applicable provisions of the Agreement for such insurance, the Servicer shall exercise its best efforts to obtain

comparable replacement policies with total coverage equal to the then existing coverage of such insurance policies from insurers so licensed and approved.

From and after the acquisition of each of the Mortgage Loans, the Servicer shall service such Mortgage Loan and shall have full power and authority, acting alone, to take such actions as may be necessary to discharge its duties with respect to such servicing all as set forth in the GNMA Guide, Freddie Mac regulations and Fannie Mae regulations as set forth in the Freddie Mac Guides or the Fannie Mae Guides, as applicable. The Servicer shall and is hereby irrevocably authorized and empowered by the Issuer to make and deliver instruments, or cause such instruments to be made and delivered, for and on behalf of and in the name of the Issuer as may be necessary in order for the Servicer to discharge its duties hereunder. In addition, the Servicer shall perform those duties set out in the Program Documents and the MBS Agreement, including, but not limited to, assistance in any reallocation of Mortgage Loan origination rights, approval of Mortgage Loan assumptions by eligible Mortgagors, if and when such events occur pursuant to the this Agreement, and keeping and reporting regularly to the Issuer with respect to this of Mortgage Loans during the Origination Period as set forth in this Agreement.

Section 9.04. Servicing Standards. With respect to all Mortgage Loans, the Servicer agrees to service such Mortgage Loans in accordance with generally accepted practices of the mortgage lending industry and with the requirements of the GNMA Guide, Freddie Mac Guides or Fannie Mae Guides, as applicable, including maintenance of all accounts required thereby, shall perform all such duties with due care, diligence and reasonable promptness, and will provide prompt monthly principal and interest payments to the Trustee under the GNMA Certificate and to the designated paying agent in connection with Freddie Mac Securities and Fannie Mae Securities accompanied by a statement identifying principal, interest and Principal Prepayment components of such payment and will forward copies of such reports, if any, as are required by the GNMA Guide, Freddie Mac Guide or the Fannie Mae Guide, to the Issuer and the Trustee with respect to the status of the Mortgage Loans. As of the date hereof, the reports required to be so filed with the Trustee consist of GNMA Form 11-710(A).

Section 9.05. Assignment of Servicing Obligations. The Servicer may assign for consideration all (but not a portion) of its servicing rights and obligations under this Agreement to another servicer, provided that such assignment is evidenced by a written agreement in which the assignee agrees to assume all of the Servicer's obligations hereunder and agrees to provide its services for the same fee as provided in this Agreement. Any such assignment is subject to the prior written consent of GNMA, Freddie Mac, Fannie Mae and the Issuer or their successors or assigns, and which consent of the Issuer will not be unreasonably withheld or delayed.

Section 9.06. Notice of Mortgage Loan Balances. In connection with the purchase of each GNMA Certificate, Freddie Mac Security and Fannie Mae Security, the Servicer shall certify to the

Trustee and the Issuer, in writing, prior to each such purchase, the following: (i) the outstanding principal balance of the Mortgage Loans comprising the Pool for such GNMA Certificate, Freddie Mac Security or Fannie Mae Security as of such Certificate Purchase Date; (ii) the type of Mortgage Loans comprising the Pool; and (iii) that based upon reasonable review as set forth in this Agreement, the Servicer believes that all Mortgage Loans backing such GNMA Certificate are "Mortgage Loans" within the meaning of the Origination Agreement and that the GNMA Certificate conforms to all requirements of the GNMA Commitment and the GNMA Guaranty and the Freddie Mac Security and the Fannie Mae Security are, to the best knowledge of the Master Servicer properly issued by such agency. In connection with such certification, the Master Servicer shall be entitled to rely upon the approval of the Mortgage Loans by the Program Administrator. In connection with the purchase of the GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities on a Certificate Purchase Date, the Servicer shall, upon the written request of the Trustee at least ten days in advance, certify to the Trustee, prior to such purchase the outstanding principal balance of the Mortgage Loans comprising the Pools for such GNMA Certificates, Freddie Mac Securities and Fannie Mae Certificates as of such Certificate Purchase Date.

Section 9.07. Funding of Purchase Price of Mortgage Loans. At the time of the purchase of a Mortgage Loan by the Servicer from a Lender, Servicer shall pay a Mortgage Loan Purchase Price (expressed as a percentage of the principal balance of the applicable Mortgage Loan) as set forth in the applicable Notice of Acceptance.

Section 9.08. Escrow Account. The Servicer hereby covenants and agrees to establish and maintain a separate account or accounts in connection with the issuance of each Series of Bonds (collectively, the "Escrow Account"), to be maintained in accordance with GNMA, Freddie Mac and Fannie Mae requirements, and shall deposit therein all moneys received by it as escrow payments, including amounts representing collections of real estate taxes, assessments, premiums of any standard hazard insurance policy and comparable items.

Section 9.09. Joinder in Legal Proceedings. Upon the request of the Servicer, and at the Servicer's sole expense, the Issuer and/or the Trustee shall join as parties plaintiff in any legal proceeding brought by the Servicer against any Lenders concerning any obligations of Lenders under this Agreement. In the event that the Issuer or the Trustee shall join in any such legal proceeding at the request of Servicer, Servicer shall indemnify, and hold harmless, the Issuer and the Trustee from any and all costs and expenses in any form and for whatever reason incurred, including, but not limited to any and all costs and attorneys' fees of a defendant required to be paid by the Issuer and the Trustee by court order in the event of a judgment in favor of such defendant.

Section 9.10. Compensation and Expenses for Servicing. The Servicer's compensation for servicing the Mortgage Loans shall be the Servicing Fee.

Section 9.11. Purchase of GNMA Certificates. Following the Servicer's periodic purchase of Mortgage Loans pursuant to this Agreement, in amounts sufficient to create a Pool, the Servicer shall (unless otherwise provided in a Series Supplement hereto) (a) prepare the Pool Documentation Package for such Mortgage Loans and submit to the Custodian such documents of the Pool Documentation Package as the Custodian is required to review for initial certification and final certification pursuant to the GNMA Guide, and (b) notify the Trustee in writing of the principal amount of Mortgage Loans in the Pool represented by such GNMA Certificate. Following the Custodian's satisfactory review of the applicable documents of the Pool Documentation Package, the Custodian will give initial certification to GNMA, and the Servicer shall cause a GNMA Certificate to be issued in a principal amount equal to the outstanding principal amount of the Mortgage Loans represented by the Pool Documentation Package. The Servicer will deliver a GNMA Certificate to the Trustee for purchase within ten (10) calendar days after a GNMA Certificate is issued and will give the Trustee not less than four (4) business days prior notice of the date such GNMA Certificate will be delivered to the Trustee for purchase; provided that, if the notice period for the Trustee to draw funds under the Investment Agreement is amended, the Trustee shall so notify the Servicer in writing and the Servicer shall give notice to the Trustee in accordance therewith, but in no event shall the Servicer be required to give the Trustee more notice than the number of days notice required under the Investment Agreement if the notice requirement thereunder is more than five (5) days' notice.

The Servicer shall issue GNMA Certificates in such amounts as it determines in its sole discretion, subject to the requirements of GNMA, as it deems most beneficial to the Special Program.

The Trustee, on behalf of the Issuer, shall purchase such GNMA Certificate from the Servicer on the date set forth in the notice of such purchase from the Servicer at the applicable Certificate Purchase Price as of the first day of the month in which such GNMA Certificate is purchased (after taking into account the principal reduction required on the first day of such month). Accrued interest on such GNMA Certificate owing to the Servicer (at the applicable Pass-Through Rate for a Low Rate Loan, a Reduced Point Loan, Assisted Loan or Deep Subsidy Program Loan, respectively, from the first day of the month of purchase to but not including the date of purchase thereof by the Trustee) shall be paid by the Trustee to the Servicer on the date of purchase of such GNMA Certificate. All payments, including prepayments, received by the Trustee or the Servicer on a GNMA Certificate in the month in which such GNMA Certificate was purchased from the Servicer shall belong to the Servicer, provided that the purchase price is calculated as a percentage of the outstanding balance of the Mortgage Loans underlying the GNMA Certificate as of the first day of the month in which such purchase occurs. If the Trustee receives such amounts, the Indenture provides that it shall pay them immediately to the Servicer consistent with the provisions of the previous sentence. Notwithstanding the foregoing sentence, all payments, including prepayments, of principal received by the Trustee or the Servicer on a GNMA Certificate in the month in which

such GNMA Certificate was purchased from the Servicer shall belong to the Trustee, provided that the purchase price is calculated as a percentage of the outstanding balance of the Mortgage Loans underlying the GNMA Certificate as of the first day of the month prior to the month in which such purchase occurs.

Section 9.12. Purchase of Freddie Mac Securities and Fannie Mae Securities. Unless otherwise provided in a Series Supplement hereto, the following provisions shall apply to the purchase of Freddie Mac Securities and Fannie Mae Securities:

(a) Subject to the terms and conditions hereof, the Servicer shall pay all fees required by Freddie Mac or Fannie Mae in connection with the issuance of Freddie Mac Securities or Fannie Mae Securities.

(b) It is recognized and agreed that in accordance with the Program Documents, the Servicer in its best judgment shall cause Freddie Mac to issue Freddie Mac Securities and Fannie Mae to issue Fannie Mae Securities which shall be comprised of Conventional Mortgage Loans and which shall be based on and backed by a Pool in a minimum outstanding principal amount of Two Hundred and Fifty Thousand dollars (\$250,000), or such lesser amount as may be permitted or approved by Freddie Mac or Fannie Mae, and shall be issued in accordance with Section 9.12(g) hereof.

(c) The Servicer shall, during the Origination Period, maintain current records with respect to the total aggregate principal amount of Conventional Mortgage Loans that have been originated by the Lenders for the purpose of determining the date on which any Freddie Mac Security or Fannie Mae Security based on and backed by the Pool shall be issued by Freddie Mac or Fannie Mae. The Servicer shall exercise its best judgment to cause the aggregation of Conventional Mortgage Loans to occur to enable the formation of a Freddie Mac Pool or a Fannie Mae Pool in as expeditious a manner as possible. Conventional Mortgage Loans shall, in any case, be pooled by the Servicer without any unreasonable delays resulting to the Issuer or the Mortgagor. The Servicer may, in its discretion, make the determination to provide for the issuance of Freddie Mac Securities or Fannie Mae Securities at such time by Freddie Mac or Fannie Mae, in the judgment of the Servicer, as the amount of eligible Conventional Mortgage Loans originated by the Participants and purchased by the Servicer is sufficient for the issuance of Freddie Mac Securities or Fannie Mae Securities.

(d) The Servicer shall purchase Conventional Mortgage Loans as expeditiously as possible and shall aggregate the Conventional Mortgage Loans originated by the Lenders during the Origination Period. The Servicer may, but is not required to, "warehouse" any portion of such Conventional Mortgage Loans for aggregation of the Conventional Mortgage Loans to form a Freddie Mac Security or a Fannie Mae Security until such time that the Servicer deems it advisable,

in the exercise of due diligence to cause the issuance of any Freddie Mac Security or Fannie Mae Security. In the event that the Servicer has Conventional Mortgage Loans in a sufficient aggregate principal amount to constitute a Freddie Mac Pool or a Fannie Mae Pool and thereafter, to cause the issuance of a Freddie Mac Security or a Fannie Mae Security with respect to such Freddie Mac Pool or Fannie Mae Pool, the Servicer shall aggregate all such Conventional Mortgage Loans to form such Freddie Mac Pool or Fannie Mae Pool and shall submit an appropriate application to Freddie Mac or Fannie Mae for the issuance of such Freddie Mac Pool or Fannie Mae Security in accordance with this Agreement and the Pool Purchase Contract.

(e) The Servicer shall ensure that the total original outstanding principal amount of any Freddie Mac Security or Fannie Mae Security issued by Freddie Mac or Fannie Mae based on and backed by a Freddie Mac Pool or a Fannie Mae Pool will not be issued in an amount which, in Servicer's good faith judgment, would either (i) preclude the subsequent origination of Conventional Mortgage Loans, or (ii) if Conventional Mortgage Loans have been originated and a Freddie Mac Pool or a Fannie Mae Pool is comprised of such Conventional Mortgage Loans and preclude the issuance of a Freddie Mac Security or a Fannie Mae Security backed by such Freddie Mac Pool or Fannie Mae Pool.

(f) The Servicer will ensure that the Special Program shall have at least equal priority with respect to other servicing activities of the Servicer to any unfunded Freddie Mac Security or Fannie Mae Security available to the Servicer or to the issuance of any other Freddie Mac Security or Fannie Mae Security not specifically pledged to an identifiable lending activity.

(g) Pursuant to the current standards and policies of Freddie Mac or Fannie Mae as set forth in the Freddie Mac Guides or Fannie Mae Guides and as provided by the Pool Purchase Contract, the Servicer may provide for the issuance of Freddie Mac Securities or Fannie Mae Securities by purchasing Conventional Mortgage Loans to be delivered to Freddie Mac or Fannie Mae to constitute Freddie Mac Pools or Fannie Mae Pools in a minimum original outstanding principal amount as provided in Section 9.12(b) hereof. The total principal amount of any issue of Freddie Mac Securities or Fannie Mae Securities shall equal the total aggregate unpaid principal balances of Conventional Mortgage Loans in the Freddie Mac Pool or Fannie Mae Pool.

(h) The Servicer agrees to deliver a Freddie Mac Security or Fannie Mae Security to the Trustee for purchase within ten (10) calendar days after the Freddie Mac Security or Fannie Mae Security is issued. The Servicer agrees to notify the Trustee at least four (4) business days by facsimile or telecopy, confirmed in writing, before each proposed delivery to the Trustee of a Freddie Mac Security or a Fannie Mae Security of the aggregate principal amount of the Freddie Mac Security or a Fannie Mae Security to be acquired. The Trustee shall disburse moneys in accordance with the provisions of the Indenture for the acquisition of a Freddie Mac Security or a Fannie Mae Security only upon receipt of the Certificate of Servicer for purchase of a Freddie Mac

Security or a Fannie Mae Security with respect to each Mortgage Loan in the Pool backing the Freddie Mac Security or a Fannie Mae Security.

(i) All Freddie Mac Securities and Fannie Mae Securities shall be issued with the Special Servicing Option (as defined in the Fannie Mae Guides and the Freddie Mac Guides).

(j) The Servicer shall have no obligation to purchase Mortgage Loans intended to form a Pool for a Fannie Mae Security or a Freddie Mac Security after the expiration date of the applicable Pool Purchase Contract, unless on or prior to that date Freddie Mac or Fannie Mae has renewed or extended the Pool Purchase Contract, and thereafter the Servicer shall be obligated to purchase such Mortgage Loans only so long as a Pool Purchase Contract is in full force and effect.

(k) The Trustee, on behalf of the Issuer, shall purchase such Freddie Mac Security or Fannie Mae Security from the Servicer on the date set forth in the notice of such purchase from the Servicer at the applicable Certificate Purchase Price as of the first day of the month in which such Freddie Mac Security or Fannie Mae Security is purchased (after taking into account the principal reduction required on the first day of such month). Accrued interest on such Freddie Mac Security or Fannie Mae Security owing to the Servicer (at the applicable Pass-Through Rate for a Low Rate Loan or Assisted Loan, respectively, from the first day of the month of purchase to but not including the date of purchase thereof by the Trustee) shall be paid by the Trustee to the Servicer on the date of purchase of such Freddie Mac Security or Fannie Mae Security. All payments, including prepayments, received by the Trustee or the Servicer on a Freddie Mac Security or a Fannie Mae Security in the month in which such Freddie Mac Security or Fannie Mae Security was purchased from the Servicer shall belong to the Servicer, provided that the purchase price is calculated as a percentage of the outstanding balance of the Mortgage Loans underlying the Freddie Mac Security or Fannie Mae Security as of the first day of the month in which such purchase occurs. If the Trustee receives such amounts, the Indenture provides that it shall pay them immediately to the Servicer consistent with the provisions of the previous sentence. Notwithstanding the foregoing sentence, all payments, including prepayments, of principal received by the Trustee or the Servicer on a Freddie Mac Security or a Fannie Mae Security in the month in which such Freddie Mac Security or a Fannie Mae Security was purchased from the Servicer shall belong to the Trustee, provided that the purchase price is calculated as a percentage of the outstanding balance of the Mortgage Loans underlying the Freddie Mac Security or the Fannie Mae Security as of the first day of the month prior to the month in which such purchase occurs.

Section 9.13. Purchase of Mortgage Backed Securities Generally. The Trustee, on behalf of the Issuer, shall purchase GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities, as the case may be, from the Servicer on any Business Day of a month mutually agreed upon by the Servicer and the Trustee as set forth in the notice of such purchase from the Servicer at a price equal to the applicable Certificate Purchase Price.

The obligation of the Trustee to purchase such GNMA Certificate, Freddie Mac Security and Fannie Mae Security is conditioned upon (i) the submission by the Lenders of the documents to the Issuer listed in the Lender's Guide, (ii) the Mortgage Loans represented by the Pool Documentation Package being in conformance with all requirements of the Program Documents. The Trustee shall be entitled to rely on certifications and representations of the Servicer, which shall be provided to the Issuer by the Servicer, that the Mortgage Loans represented by the Pool Documentation Package are eligible and meet the requirements under the Special Program. The Trustee has no obligation to determine independently whether such Mortgage Loans conform with all requirements under the Program Documents. In certifying that the Mortgage Loans are eligible and meet the requirements under the Program Documents, the Servicer may rely on written guidelines prepared by the Issuer and delivered to the Servicer for that purpose and the terms and provisions of the Program Documents and may rely upon the compliance approval of the Program Administrator of the Mortgage Loans.

The Issuer hereby agrees to acquire, through the Trustee, in accordance with and during the period described in the Indenture, the GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities delivered to the Trustee by the Servicer after issuance of the applicable Series of Bonds (the "Delivery Period") with funds on deposit in the applicable Series Acquisition Account with respect to the applicable Series of Bonds.

Section 9.14. Servicer May Pledge Collateral. During any period of time in which the Servicer has purchased a Mortgage Loan from a Lender, the Servicer may pledge such Mortgage Loan to a financial institution providing the funding for such purchase until such time as a GNMA Certificate, Freddie Mac Security or Fannie Mae Security is created and sold to the Trustee.

Section 9.15. Authorization for Servicer to Act as Lender. If any Participant should withdraw from the Special Program, become insolvent, be dissolved or taken control of by State or federal officials or agencies having jurisdiction the result of which is the Lender's inability to participate in the Special Program, the Servicer may (but shall not be obligated to), at the Issuer's option, become a Lender in the same manner as a new Lender under the provisions of and in conformity with the applicable Origination Agreement for the respective Series of Bonds. Under such circumstances, the Servicer may also become a Lender temporarily without any further action by it or the Issuer until such time as a replacement Lender can be obtained, or the Servicer is substituted for such Lender in accordance with the foregoing sentence.

Section 9.16. The MBS Commitments. The Servicer covenants to obtain and maintain sufficient MBS Commitments to meet the anticipated needs of the Special Program.

Section 9.17. The Custodian. In connection with the MBS Commitment, and pursuant to the Custodial Agreement that the Custodian shall execute prior to the issuance of the GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities, the Custodian will retain for the term of the Special Program (i) the original Mortgage Note, (ii) the unrecorded Assignment of Mortgage to GNMA, Freddie Mac or Fannie Mae; (iii) the original recorded Mortgage, (iv) all intervening recorded assignments of the Mortgage, if any, (v) the mortgagee's title insurance policy, and (vi) the applicable FHA Mortgage Insurance Certificate, VA Loan Guaranty Certificate, RD Loan Guaranty Certificate or Private Mortgage Guaranty Insurance policy if so required. The Servicer may appoint any substitute custodian in the place of the Custodian at any time with the prior written consent of GNMA, Freddie Mac or Fannie Mae, as applicable.

Section 9.18. Internal Revenue Service Reports. For each reporting period currently ending on June 30 of each year in which proceeds of the Bonds are used to purchase any GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities, the Servicer as agent for the Issuer shall file a report containing the information, and in the manner, required under Section 1.103A-2(k)(2)(ii) of the Treasury Regulations. The report shall be filed at the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, on or before August 15 of the calendar year in which the reporting period ends. In order to obtain the information required to be included in the report, the Master Servicer shall, prior to the purchase by the Trustee of each GNMA Certificate, Freddie Mac Security and Fannie Mae Security with proceeds of the Bonds, require the Lender to provide the Master Servicer as agent for the Issuer with information regarding whether the Mortgagor was a first time homebuyer on the Closing Date, unless otherwise provided in Program Determinations for a particular series of Bonds.

The Issuer covenants that it will cooperate to the fullest extent possible with the Servicer in connection with the reporting requirements of this Section 9.18. Anything to the contrary notwithstanding, the Servicer will be deemed in compliance with this Section 9.18, if the Servicer is in compliance with the aforementioned Treasury Regulations, or any modifications thereof of which the Servicer has actual knowledge. A copy of such filing shall be provided to the Issuer

Section 9.19. Down Payment Assistance Loans.

(i) The Master Servicer shall reimburse the Lender the amount of each Down Payment Assistance Loan advanced by the Lender in conjunction with a Mortgage Loan at the time of closing.

(ii) The Issuer shall purchase, or cause the Trustee to purchase, from the Master Servicer all Down Payment Assistance Loans purchased by the Master Servicer from Lenders, contemporaneously with the Trustee's periodic purchase of GNMA Certificates, Freddie Mac Securities and Fannie Mae Securities backed by the related Mortgage Loans as provided in the applicable Invitation.

(iii) The Master Servicer shall be responsible for tracking each Down Payment Assistance Loan, providing payoff amounts to mortgagors, collection of payoff amounts and cancellation of Down Payment Assistance Loan mortgages when satisfied. The Master Servicer will collect recording fees for recording the satisfaction of the second mortgage as part of the payoff calculation. The payoff amount shall be wired to the Issuer within ten (10) days of the payoff.

*[SIGNATURE PAGE TO SPECIAL PROGRAM MASTER MORTGAGE
ORIGINATION AND SERVICING AGREEMENT]*

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

(SEAL)

**HOUSING FINANCE AUTHORITY
OF MIAMI-DADE COUNTY (FLORIDA)**

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Approved by County Attorney as to
Form and Legal Sufficiency

By: _____
Assistant County Attorney

*[SIGNATURE PAGE TO SPECIAL PROGRAM MASTER
MORTGAGE ORIGINATION AND SERVICING AGREEMENT]*

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, As Trustee**

Dated: _____

By: _____
Marylou Frey
Vice President

*[SIGNATURE PAGE TO SPECIAL PROGRAM MASTER
MORTGAGE ORIGINATION AND SERVICING AGREEMENT]*

**U.S. BANK N.A., dba U.S. Bank Home Mortgage-
MBRP Division** as Master Servicer

Dated: _____

By: _____

*[SIGNATURE PAGE TO SPECIAL PROGRAM MASTER
MORTGAGE ORIGINATION AND SERVICING AGREEMENT]*

**HOUSING AND DEVELOPMENT SERVICES,
INC. d/b/a eHousingPlus**, as Program Administrator
under the Special Program

Dated: _____

By: _____

Name: Cristina M. Gilson

Title: President

*[SIGNATURE PAGE TO SPECIAL PROGRAM MASTER
MORTGAGE ORIGINATION AND SERVICING AGREEMENT]*

_____ as Lender under the Special Program

Dated: _____

By: _____

EXHIBIT A

TARGETED AREAS/CENSUS TRACTS

[To be provided in the applicable Lender's Guide or each series of Bonds under the Special Program]

EXHIBIT B-1

**Notice to Mortgagor of Potential Recapture
Tax on Sale of Single Family Residence**

(To be delivered by Lender at Mortgage Loan Application)

You are applying for a mortgage loan from the proceeds of a series of tax-exempt bonds of the Housing Finance Authority of Miami-Dade County (Florida), thereby receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If this Mortgage Loan is closed and you subsequently sell or otherwise dispose of your single family residence during the next nine years, this benefit may be "recaptured."

The recapture is accomplished by an increase in your federal income tax for the year in which you sell your single family residence. The recapture only applies, however, if you sell your single family residence at a gain and if your income increases above specified levels.

You may wish to consult a tax advisor or the local office of the Internal Revenue Service before purchasing or at the time you sell your single family residence to determine the amount, if any, of the recapture tax. Upon closing, you will be given additional information that will be needed to calculate the recapture tax at the time you sell your residence.

ACKNOWLEDGED:

Date: _____

Signature of Applicant

Typed Name of Applicant

EXHIBIT B-2

Notice to Mortgagor of Potential Recapture Tax on Sale of Single Family Residence

(To be completed by Lender)

You are receiving a mortgage loan from the proceeds of a series of tax-exempt bonds of the Housing Finance Authority of Miami-Dade County (Florida), thereby receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your single family residence during the next nine years, this benefit may be "recaptured."

The recapture is accomplished by an increase in your federal income tax for the year in which you sell your single family residence. The recapture only applies, however, if you sell your single family residence at a gain and if your income increases above specified levels.

You may wish to consult a tax advisor or the local office of the Internal Revenue Service at the time you sell your single family residence to determine the amount, if any, of the recapture tax. Along with this notice, you are being given additional information that will be needed to calculate the recapture tax at the time you sell your residence.

Maximum Recapture Tax and Method to Compute Recapture Tax on Sale of Single Family Residence

A. Introduction

1. **General.** When you sell your single family residence you may have to pay a recapture tax as calculated below. The recapture tax may also apply if you dispose of your single family residence in some other way. Any references in this notice to the "sale" of your single family residence also includes other ways of disposing of your single family residence. For instance, you may owe the recapture tax if you give your single family residence to a relative.

2. **Exceptions.** In the following situations, no recapture tax is due and you do not need to do the calculations:

- (a) You dispose of your single family residence later than nine years after you close your mortgage loan;
- (b) Your single family residence is disposed of as a result of your death;

(c) You transfer your single family residence either to your spouse or to your former spouse incident to divorce and you have no gain or loss included in your income under section 1041 of the Internal Revenue Code; or

(d) You dispose of your single family residence at a loss.

B. **Maximum Recapture Tax.** The maximum recapture tax that you may be required to pay as an addition to your federal income tax is \$ **[insert the actual dollar amount resulting from the product of ____% multiplied by the highest principal amount of the mortgage loan]**. This amount is ____% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

C. **Actual Recapture Tax.** The actual recapture tax, if any, can only be determined when you sell your single family residence, and is the lesser of (1) 50% of your gain on the sale of your single family residence, regardless of whether you have to include that gain in your income for federal income tax purposes, or (2) your *recapture amount* determined by multiplying the following three numbers:

(i) \$ **[insert the actual dollar amount resulting from the product of ____% multiplied by the highest principal amount of the mortgage loan]** (the *maximum recapture tax*, as described in paragraph B above),

(ii) The *holding period percentage*, as listed in Column 1 in the Table, and

(iii) The *income percentage*, as described in paragraph D below.

D. **Income Percentage.** You calculate the income percentage as follows:

(i) Subtract the applicable adjusted *qualifying income* in the year in which you sell your home, as listed in Column 2 in the Table, from your *modified adjusted gross income* in the taxable year in which you sell your single family residence.

Your *modified adjusted gross income* means your *adjusted gross income* shown on your federal income tax return for the taxable year in which you sell your single family residence, with the following two adjustments (a) your adjusted gross income must be *increased* by the amount of any interest that you receive or accrue in the taxable year from tax-exempt bonds that is excluded from your gross income (under section 103 of the Internal Revenue Code); and (b) your adjusted gross income must be *decreased* by the amount of any gain included in your gross income by reason of the sale of your single family residence.

(ii) If the amount calculated in (i) above is zero or less, you owe no recapture tax and do not need to make any more calculations. If it is \$5,000 or more, your income

percentage is 100%. If it is greater than zero but less than \$5,000, it must be divided by \$5,000. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is \$1,000/\$5,000, your income percentage is 20%.

TABLE

<u>Date that You Sell Your Single Family Residence</u>	(Column 1) Holding Period Percentage	(Column 2) <u>Adjusted Qualifying Income</u>			
		Number of Family Members Living in Your Single Family Residence <u>at the Time of Sale</u>			
		<u>2 or Less</u>		<u>3 or More</u>	
Before the first anniversary of closing (See note below)	20%	\$	[*]	\$	[*]
On or after the first anniversary of closing, but before the second anniversary of closing	40%	\$	[*]	\$	[*]
On or after the second anniversary of closing, but before the third anniversary of closing	60%	\$	[*]	\$	[*]
On or after the third anniversary of closing, but before the fourth anniversary of closing	80%	\$	[*]	\$	[*]
On or after the fourth anniversary of closing, but before the fifth anniversary of closing	100%	\$	[*]	\$	[*]
On or after the fifth anniversary of closing, but before the sixth anniversary of closing	80%	\$	[*]	\$	[*]
On or after the sixth anniversary of closing, but before the seventh					

anniversary of closing	60%	\$	[*]	\$	[*]
On or after the seventh anniversary of closing, but before the eighth anniversary of closing	40%	\$	[*]	\$	[*]
On or after the eighth anniversary of closing, but before the ninth anniversary of closing	20%	\$	[*]	\$	[*]

Note: Closing means the closing date for your loan.

I have completed the portions of this Notice relating to the maximum recapture amount and whether or not the single family residence is located in a Targeted Area.

[Name of Lender]

By: _____
Authorized Officer

Received and acknowledged

By: _____
Mortgagor

Mortgagor

DATED: _____, _____

[* The actual notice to the mortgagor must provide the actual dollar figures for adjusted qualifying incomes for each of the years covered by the table. The entries in the first row are the highest qualifying incomes which, as of the date of the loan closing, would have met the low income requirement of section 143(f) of the Code, taking into account whether the home financed with the subsidized mortgage loan is located in a targeted area as described in section 143(j) of the Code (but determined without regard to section 143(f)(3)(A) of the Code) or in a high housing cost area as described in section 143(f)(5) of the Code. The entries in each subsequent row equal the entries in the immediately preceding row, times 1.05. The formula for determining these numbers is set forth in section 143(m)(5) of the Code.]

