

ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY (FLORIDA)

MASTER MORTGAGE ORIGINATION AGREEMENT

**Single Family Mortgage Revenue Bonds
(Multi-County Program)
Various Series**

Dated as of July 1, 2012

TABLE OF CONTENTS

	Page
ARTICLE I	DEFINITIONS..... 4
Section 1.01	Definitions..... 4
Section 1.02	Interpretation..... 20
ARTICLE II	REPRESENTATIONS 21
Section 2.01	Representations, Warranties and Covenants of the Issuer 21
Section 2.02	Representations, Warranties and Covenants of Participant 21
Section 2.03	Representations, Warranties and Covenants of the Servicer 25
Section 2.04	Representations, Warranties and Covenants of the Administrator 28
ARTICLE III	ISSUANCE OF BONDS; APPLICATION OF PROCEEDS 31
Section 3.01	Agreement to Issue Bonds; Application of Bond Proceeds..... 31
Section 3.02	No Legal or Equitable Interest of Participant in Funds or Accounts Under Any Series Indenture 31
Section 3.03	Program Allocation Procedures 31
ARTICLE IV	COMMITMENTS TO BUY AND SELL MORTGAGE LOANS..... 32
Section 4.01	Commitments to Buy and Sell Mortgage Loans; Program Allocations; Targeted Areas 32
Section 4.02	Mortgage Loan Terms..... 35
Section 4.03	Processing, Origination Fees and Closing Costs 36
Section 4.04	Verification Concerning Mortgagors' Federal Income Tax Returns 37
Section 4.05	Acquisition Price of a Residence 38
Section 4.06	First Time Homebuyer..... 39
Section 4.07	Restriction on Purchase of Bonds..... 40
Section 4.08	Mortgage Loan Approvals; Submission for Purchase and Recertification..... 41
Section 4.09	Purchase of Mortgage Loans 44
Section 4.10	Maintenance of Compliance Files and Mortgage Files 45
Section 4.11	Defective Documents and Non-Qualifying Mortgage Loans; Repurchase of Mortgage Loans by Participant..... 46
Section 4.12	Representations, Warranties and Covenants of Participant Concerning Mortgage Loans..... 48
Section 4.13	Prohibition of Discrimination 52

TABLE OF CONTENTS

(continued)

	Page
Section 4.14	Disclosure to Borrowers 53
Section 4.15	Requirement of Standard Hazard Insurance and Flood Insurance..... 53
Section 4.16	Assumption Restrictions 53
Section 4.17	Participant to Transfer Mortgage Loans and Servicing Thereof to Servicer 54
Section 4.18	Reporting..... 54
Section 4.19	Purchase of GNMA Certificates, Fannie Mae Securities and Freddie Mac Securities 55
Section 4.20	Termination of Origination Period by Servicer for Failure of Certificate Purchaser to Purchase GNMA Certificates, Fannie Mae Securities or Freddie Mac Securities 56
Section 4.21	Second Mortgage Program 56
Section 4.22	Assistance Grants..... 58
ARTICLE V	PARTICIPANT..... 59
Section 5.01	Liability of Participant 59
Section 5.02	Limitation on Liability of Directors, Officers, Employees and Agents of Participant..... 59
Section 5.03	Participant Not to Resign 59
Section 5.04	Maintenance of Errors and Omissions Policy and Fidelity Bond..... 59
Section 5.05	Participant Approval and Management 59
ARTICLE VI	CAUSES PERMITTING TERMINATION 61
Section 6.01	Causes of Termination Defined; Remedies 61
Section 6.02	No Remedy Exclusive..... 62
Section 6.03	Agreement to Pay Attorneys' Fees and Expenses 62
Section 6.04	Liability of the Servicer, Administrator, Issuer or Trustee..... 62
Section 6.05	Servicer Termination 62
Section 6.06	Administrator Termination 62
ARTICLE VII	MISCELLANEOUS PROVISIONS..... 63
Section 7.01	Amendments, Changes and Modifications 63
Section 7.02	Recordation of this Agreement 63
Section 7.03	Limitation on Rights of Bondholders 63
Section 7.04	Governing Law 63

TABLE OF CONTENTS
(continued)

	Page
Section 7.05	Notices 63
Section 7.06	Severability 63
Section 7.07	Further Assurances and Corrective Instruments 63
Section 7.08	Term of this Agreement 64
Section 7.09	No Rights Conferred on Others 64
Section 7.10	Limited Liability; No Debt or General Obligation 64
ARTICLE VIII	LIMITED RESPONSIBILITIES 65
Section 8.01	Trustee’s Limited Responsibilities 65
Section 8.02	Servicer’s Limited Responsibility 65
Section 8.03	Administrator’s Limited Responsibility 65

MASTER MORTGAGE ORIGINATION AGREEMENT

THIS MASTER MORTGAGE ORIGINATION AGREEMENT dated as of July 1, 2012 (the “Origination Agreement”), among the **PARTICIPANTS**, as herein defined, executing this Origination Agreement from time to time; U.S. Bank National Association, as servicer, a national banking association organized and existing under and by virtue of the laws of the United States of America, or such other mortgage servicing institution which has accepted the rights and obligations of the **SERVICER** hereunder (the “Servicer”); Housing and Development Services, Inc., d/b/a eHousingPlus, a corporation organized under the laws of the State of Florida, or such other administrator which has accepted the rights and obligations of the **ADMINISTRATOR** hereunder (the “Program Administrator” or “Administrator”); U.S. Bank National Association, as trustee, a national banking association organized and existing under and by virtue of the laws of the United States of America or such other banking institution duly organized, existing and authorized to accept and execute trusts of the character set forth herein, which has accepted the rights and obligations of the **TRUSTEE** hereunder and in the Indenture (hereafter defined) executed in connection with a Series of Bonds, as trustee (the “Trustee”), each for the origination and sale of the Mortgage Loans under separate Programs, as herein defined, established with respect to each such Series of Bonds by the Issuer from time to time (such Programs collectively referred to herein as the “Single Family Program” as hereinafter defined); and the **ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY** together with its successors and assigns (hereinafter referred to as “Issuer”), a public body corporate and politic of the State of Florida;

W I T N E S S E T H

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

WHEREAS, in accordance with the provisions of the Act, the Board of County Commissioners of each of the participating Counties herein referred to with respect to a Series of Bonds (a “Participating County”) has or at the time of the issuance of such Bonds will have enacted ordinances and/or adopted resolutions determining that there is within each Participating County a shortage of affordable housing and capital for investment in such housing, and some of which have or will have at the time of the issuance of such Bonds duly created a Housing Finance Authority (each Participating County not having a Housing Finance Authority and each Housing Finance Authority, respectively, herein called the “Local Authority”) to alleviate such shortages; and

WHEREAS, with respect to each Series of Bonds, the Board of County Commissioners of each Participating County has, or at the time of issuance of such Bonds will have, by appropriate Resolution (a “Local Resolution”) authorized the Issuer to operate within the

territorial boundaries of such Participating County and has approved the implementation and administration by the Issuer of a multi-county Single Family Program to be conducted within the boundaries of each Participating County, respectively, in the case of each Participating County having a Local Authority, pursuant to the terms of a Resolution of the Board of County Commissioners and an Interlocal Agreement, as hereinafter defined, between the Issuer and the Local Authority, respectively, and, in the case of the other Participating Counties, pursuant to a resolution of the Board of County Commissioners; and

WHEREAS, pursuant to Chapter 159, Part II, and Chapter 163, Part I, Florida Statutes, as amended, the Local Resolutions and the Interlocal Agreements, the Issuer is authorized to enter into the Indenture to implement the Interlocal Agreements with respect to each Series of Bonds; and

WHEREAS, to alleviate the shortage of affordable residential housing, and capital for investment in housing, for low, moderate or middle income families and persons within the Participating Counties, which constitutes a valid public purpose for the issuance of revenue bonds under the Act, the Issuer has developed the Single Family Program and may approve, from time to time, the issuance of one or more Series of its Single Family Mortgage Revenue Bonds (the “Bonds”), the proceeds of which will be made available for the purchase from the 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 Guaranteed or RD Guaranteed Mortgage Loans, single pool, guaranteed 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 Guaranteed, RD Guaranteed or Conventional Mortgage Loans are made to finance residential facilities within the jurisdiction or area of operation of the Issuer (including the jurisdictions of the Participating Counties designated with respect to the related Program) 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 pursuant to this Agreement by and among the Participants, the Servicer, the Administrator, the Trustee and the Issuer and pursuant to an accepted Invitation as herein defined constituting offers to originate Single Family Mortgage Loans, are to be serviced by the Servicer pursuant to a Master Servicing Agreement, as amended and supplemented (the “Servicing Agreement”) by and between the Issuer and the Servicer and are to be administered by the Administrator pursuant to a Master Program Administration Agreement, as amended and supplemented (the “Program Administration Agreement”) by and between the Issuer and the Administrator; and

WHEREAS, the Bonds of each Series will be secured under a Master Trust Indenture (the “Master Indenture” and as amended and supplemented from time to time, the “Indenture”) and by the applicable Series Supplemental Trust Indenture with respect to such Series of Bonds (a “Series Supplement” and together with the Master Indenture, the “Series Indenture”), each between the Issuer and the Trustee; and

WHEREAS, the Trustee under each Series of Bonds will serve as Trustee under the Series Indenture for a Single Family Program for such Series pursuant to which certain payments made with respect to the Mortgage Loans applicable to a Series of Bonds Purchased by the related Servicer will secure payment of such Bonds by a pledge and assignment of the related GNMA Certificates, Fannie Mae Securities and Freddie Mac Securities (as such terms are more specifically defined in Article I hereof);

WHEREAS, the Servicer has agreed to Purchase the Mortgage Loans conforming to the requirements of this Agreement and the Servicing Agreement and originated by Participants who have entered and joined into this Agreement, accepted the parameters of the related Invitation, as revised from time to time, as published in the applicable Administrator's Guidelines, as herein described; and

WHEREAS, on or prior to the issuance of each Series of Bonds, there shall be prepared certain Administrator's Guidelines setting forth the terms and provisions of the related Program and governing the terms of such Program, including any applicable modifications to the terms hereof with respect to such Program, and such Administrator's Guidelines shall be deemed to be a part of this Agreement;

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

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. All terms used in capitalized form and not otherwise defined herein, including the preambles hereto, shall have the respective meanings provided in the Series Indenture. In addition, except as provided in the applicable Administrator's Guidelines, the following terms 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 or as set forth in the applicable Administrator's Guidelines.

"Act" means collectively the Florida Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended; Ordinances Nos. 80-12 and 2003-8 of the Board of County Commissioners of Escambia County, Florida, enacted May 29, 1980 and March 20, 2003, respectively; resolutions authorizing issuance of each Series of Bonds of the Issuer, as may be supplemented and amended; and other provisions of applicable law.

"Administrator's Guidelines" means with respect to each Program, guidelines prepared by the Administrator, including the related Invitation of the Issuer, setting forth the guidelines, as revised from time to time pursuant to Authority Directives in accordance herewith, for the delivery of the Compliance File by the Participant to the Program Administrator and made available to Participants for administration of the Program.

"Allocation Restriction Date" means the date, if any, so specified in the related Invitation and in the applicable Administrator's Guidelines, prior to which the Program Allocation (other than Targeted Area Allocation) of each Participant may be used only in each respective Participating County and only in the amounts for which funds have initially been allocated pursuant to the applicable Administrator's Guidelines.

"Application Fee" is the upfront fee charged to a Mortgagor to cover the actual costs of the credit report and appraisal, which Application Fee may include only the actual costs of such credit report and/or appraisal fee.

"Application Start Date" means the date on which Participants in a Program may commence accepting applications for Mortgage Loans under such Program, which date shall be set forth in the related Invitation and in the applicable Administrator's Guidelines.

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

“Assistance Grant” means the amount, if any, so designated by the Issuer as a grant to Mortgagors at Closings for down payment and/or closing costs assistance as more fully described in Section 4.22 hereof.

“Authority Directive” shall mean an electronically transmitted directive of the Issuer to the Administrator issued from time to time and revising one or more terms or parameters of a Program, each of which Authority Directive shall take effect immediately and continue for the period contained in such Authority Directive, subject to extension by the Issuer in a subsequent Authority Directive.

“Bond Application Fee” means the amount so specified in the applicable Administrator’s Guidelines, which the Administrator may charge pursuant to Section 4.03 hereof.

“Bond Counsel” means nationally recognized counsel experienced in the field of tax-exempt municipal bond law.

“Bond Delivery Date” means the date on which a Series of Bonds is originally issued and delivered to the original purchasers thereof.

“Bondholder” or **“Owner of Bonds”** means the registered owner of any Bond.

“Bonds” mean the Issuer’s Single Family Mortgage Revenue Bonds, of appropriate series designation issued from time to time to finance a Program.

“Business Day” means any day other than (i) a Saturday, Sunday, legal holiday, (ii) a day on which banking institutions in the State, or the state in which the principal office of the Servicer or any Investment Agreement Provider is located, are authorized by law to close or (iii) 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, Fannie Mae Securities and Freddie Mac Securities from the Servicer as set forth in the related Series Indenture, as such period may be extended in accordance therewith.

“Certificate Purchase Date” means the date (which shall be a Business Day) established by the Servicer pursuant to Section 4.19 of this Origination Agreement on which the Certificate Purchaser purchases a GNMA Certificate, Fannie Mae Security or Freddie Mac Security pursuant to the Servicing Agreement.

“Certificate Purchaser” shall mean, prior to the issuance of a related Series of Bonds, the Issuer, a Warehouse Provider, bank or other financial institution on behalf of and as directed by the Issuer and shall also include the Trustee after issuance of a related Series of Bonds.

“Closing” means any closing of a Mortgage Loan by a Participant for a Mortgagor.

“Code” means the Internal Revenue Code of 1986, as amended, the regulations promulgated thereunder, and all applicable 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 applicable United States Treasury Regulations proposed or in effect with respect thereto and applicable to the Bonds or the use of the proceeds thereof.

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

“Commitment Period” means the period during which Participants may issue Commitments to originate Mortgage Loans in accordance with Section 4.01 of this Origination Agreement and the applicable Administrator’s Guidelines.

“Compliance File” means the documents listed in the Administrator’s Guidelines as “Compliance File” pertaining to a particular Mortgage Loan.

“Conditional Application Start Date” means that date on which Participants in a Program may commence accepting applications for Mortgage Loans under such Program with the condition of closing of the Series of Bonds funding such Program, which date shall be set forth in the related Invitation and in the applicable Administrator’s Guidelines.

“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 Mortgage Loans which are not FHA/VA/RD Loans and which satisfy the requirements of this Origination Agreement and Fannie Mae or Freddie Mac, as applicable.

“County” or **“Counties”** or **“Participating Counties”** means the Counties of the State as may be designated by the Issuer for participation in a Program, as provided in the related Invitation and in the applicable Administrator’s Guidelines.

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

circumstances based upon the Mortgagor and Seller/Builder Affidavit to such effect), all as computed at the time of application for a Mortgage Loan, and confirmed at the time of Closing.

“Custodial Agreement” means the agreement executed in connection with a Pool by the Servicer and the Custodian for the benefit of GNMA, Fannie Mae or Freddie Mac, in accordance with the GNMA Guide, the Fannie Mae Guides, or the Freddie Mac Guide, respectively.

“Custodian” means the party selected by the Servicer to act in such capacity.

“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 Fee” means a fee, if any, collected from a Mortgagor or seller of a Single Family Residence equal to a percentage of each Mortgage Loan to be retained by the Participant, which percentage shall be set forth in the related Invitation and in the applicable Administrator’s Guidelines.

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

“Eligible Loan Area” means the territorial jurisdiction of the applicable Participating Counties.

“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; (iii) who is a First Time Homebuyer (except with respect to a principal Residence located in a Targeted Area or a Federally declared disaster area); 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 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.

“Escambia Region” shall have the meaning set forth in Section 4.01 hereof.

“Exception Targeted Area Loans” means Mortgage Loans originated to finance Single Family Residences located in Targeted Areas to borrowers whose Current Annual Family Income exceeds 140% (120% for families of one or two members) of the applicable median family income but is less than 150% of the applicable median family income, in accordance with Section 4.01 hereof.

“**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 FNMA pool payable monthly to Fannie Mae by the Servicer in connection with the issuance of a Fannie Mae Security.

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

“**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, bearing interest at the Applicable Pass-Through Rate (unless different rates are determined upon extension of any Certificate Acquisition Period), issued by Fannie Mae in book entry form, and guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans in the related mortgage Pool, provided that with respect to a Fannie Mae Security purchased with proceeds of a Series of Bonds, the final regularly scheduled payment thereunder shall be not later than the Final MBS Maturity Date (unless the Certificate Acquisition Period is extended as and to the extent provided in the Series Indenture) and the latest Mortgage Loan maturity date shall be not later than the Final Loan Maturity Date and in any event not later than 60 days before the final Bond maturity date.

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

“**FHA Insurance**” means FHA Mortgage insurance issued under one of the following FHA Insurance programs pursuant to the National Housing Act:

- (a) FHA Section 203(b), Home Unsubsidized (including 223(e) declining area loans);
- (b) FHA Section 234(c), Condominiums;
- (c) FHA Sections 203(b)(2), Veteran’s Status;
- (d) FHA Section 203(h); or
- (e) Any other FHA mortgage insurance programs as shall be acceptable to the Issuer and the Servicer.

“**FHA Insured**” means insured under FHA Insurance.

“FHA/VA/RD Loans” means Mortgage Loans that are FHA Insured, VA Guaranteed or RD Guaranteed.

“Final Loan Maturity Date” shall mean, with respect to each Series of Bonds, the date so specified in the related Invitation and in the applicable Lender’s Guide, being the latest date upon which a final maturity of a Mortgage Loan shall be due.

“Final MBS Maturity Date” shall mean, with respect to a Program, the last date upon which a GNMA Certificate, Fannie Mae Security or Freddie Mac Security may mature, as specified in the applicable Administrator’s Guidelines or, with respect to a Series of Bonds, a Series Indenture.

“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 Guaranty” means the one or more guaranty agreements of Freddie Mac set forth on or applicable to each of the Freddie Mac Securities pursuant to which Freddie Mac has agreed to guarantee the timely payment of Freddie Mac Securities.

“Freddie Mac Guaranty Fee” means the annual fee guaranteeing payment of the outstanding balance of the Mortgage Loans in a Freddie Mac Pool payable monthly to Freddie Mac by the Servicer in connection with the issuance of Freddie Mac Securities.

“Freddie Mac Guides” means the Freddie Mac Single Family Seller/Servicer Guides, as amended from time to time.

“Freddie Mac Pool Purchase Contract” means the Freddie Mac Pool Purchase Contract between the Servicer and Freddie Mac relating to the sale by the Servicer of Conventional Mortgage Loans to Freddie Mac and the servicing thereof.

“Freddie Mac Securities” means a single Pool, guaranteed mortgage pass-through Freddie Mac Mortgage-Backed Security providing for the regularly scheduled monthly payments and any prepayments thereunder, bearing interest at the Applicable Pass-Through Rate (unless different rates are determined upon extension of any Certificate Acquisition Period), issued by Freddie Mac in book entry form, guaranteed as to timely payment of principal and interest by Freddie Mac and backed by Conventional Mortgage Loans in the related mortgage Pool, provided that with respect to a Freddie Mac Security purchased with proceeds of a Series of Bonds, the final regularly scheduled payment thereunder shall be not later than the Final MBS Maturity Date (unless the Certificate Acquisition Period is extended as and to the extent provided in the Series Indenture) and the latest Mortgage Loan maturity date shall be not later than the Final Loan Maturity Date and in any event not later than 60 days before the final Bond maturity date with a latest loan maturity date not later than the Final Loan Maturity Date and in any event not later than 60 days before the final Bond maturity.

“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.

“GNMA Certificate” or **“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 Servicer in exchange for Mortgage Loans and in the Form of Appendix 39 “Single Family Mortgage-Backed Certificate” of the GNMA Guide and guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934, as amended, and the regulations promulgated thereunder and based on and backed by FHA/VA/RD Loans made by the Participants and bearing interest at the Applicable Pass-Through Rate (unless different rates are determined upon extension of any Certificate Acquisition Period); provided that with respect to a GNMA Certificate purchased with proceeds of a Series of Bonds, the final regularly scheduled payment thereunder shall be not later than the Final MBS Maturity Date (unless the Certificate Acquisition Period is extended as and to the extent provided in the Series Indenture) and the latest Mortgage Loan maturity date shall be not later than the Final Loan Maturity Date and in any event not later than 60 days before the final Bond maturity date with a latest loan maturity date not later than the Final Loan Maturity Date and in any event not later than 60 days before the final Bond maturity. If the Servicer delivers a GNMA Certificate that is in a denomination less than \$250,000, the Trustee or the Issuer, as the case may be, may conclude that GNMA has approved such lesser amount. 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 Certificate Purchaser, or its nominee, electronically.

“GNMA Guaranty” means the one or more guaranty agreements of GNMA set forth on or applicable to each of the GNMA Certificates pursuant to which GNMA has agreed to guarantee the timely payment of GNMA Certificates.

“GNMA Guaranty Fee” means the annual fee for guaranteeing payment of the outstanding balance of the Mortgage Loans in a GNMA Pool payable monthly to GNMA by the Servicer in connection with the issuance of GNMA Certificates.

“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.

“Interlocal Agreement” means, collectively, the agreements by and between the Issuer and the Local Authorities entered into in connection with a Program.

“Investment Agreement” means that certain investment agreement between the Trustee and an Investment Agreement Provider pursuant to which the Trustee invests moneys held in connection with a Series of Bonds.

“Investment Agreement Provider” means the provider of the Investment Agreement executed in connection with each Series of Bonds.

“Issuer” means the Escambia County Housing Finance Authority.

“Land Records” means the official records maintained by the Participating County regarding all transactions of real property.

“Lender’s Guide” means, as the context requires, the Administrator’s Guidelines and the Servicer’s Guidelines.

“Lender Portal” means the portal principally designed for Participants included as a part of the System, all as more fully described in Section 4.08 of this Agreement.

“Lender Profit” shall mean the fee set forth in the Administrator’s Guidelines that will be payable to the Participant for originating a Mortgage Loan and includes the Servicing Release Premium.

“Manufactured Home” means a manufactured home that is a mobile home built entirely offsite on a permanent chassis that is pulled on the highway to a permanent location. All mobile homes built after June 15, 1976 are required to have an attached metal plate certifying it has been constructed in compliance with the Federal Manufactured Home Construction and Safety standards. The dwelling must be eligible for 30-year real estate mortgage financing and conform to acceptability standards set forth by FHA, RD, VA and the Servicer. Lenders financing a manufactured home should obtain the applicable state specific requirements from the Servicer to ensure it meets all requirements..

“Master Origination Agreement” or **“Origination Agreement”** or **“Agreement”** means, with respect to a Program, this Master Mortgage Origination Agreement dated as of July 1, 2012, as supplemented with respect to each Program by the related Invitation and applicable Lender’s Guide, by and among the Issuer, each of the Participants with respect to such Program, the Trustee, the Administrator and the Servicer, as amended and supplemented.

“Maximum Acquisition Price” means the maximum purchase price of a Single Family Residence financed with a Mortgage Loan under a Program, as announced from time to time by the Issuer and published in the applicable Administrator’s Guidelines, which amounts may be re-determined by the Issuer from “Safe Harbor” average area purchase prices published from time to time by the United States Treasury Department or from surveys or other compilations of acquisition prices that in the opinion of nationally recognized 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 applicable County. Acquisition Price limits are also subject to the applicable FHA, VA, RD or Fannie Mae limits for the Participating Counties.

“Maximum Current Annual Family Income” means, with respect to Mortgage Loans under a Program originated on new and existing Single Family Residences, the applicable limits set forth in the applicable Administrator’s Guidelines) which amounts may be re-determined by

the Issuer from state and area median income figures published by the United States Department of Housing and Urban Development from time to time.

“MBS Agreement” means the commitment to guarantee GNMA Certificates from GNMA to the Servicer in accordance with the GNMA Guide.

“MBS Purchase Percentage” means, when used with respect to a purchase from the Servicer of a GNMA Certificate, Fannie Mae Security or Freddie Mac Security, the percentage of the outstanding principal amount of such GNMA Certificate, Fannie Mae Security or Freddie Mac Security that constitutes the purchase price to be paid therefor, and with respect to a Series of Bonds, as specified in a Series Indenture.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under laws of the State of Delaware, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Mortgage” means the written instrument securing the related Mortgage Loan and encumbering a Single Family Residence, which instrument shall be 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 then-effective form required by Fannie Mae or Freddie Mac, as applicable, with appropriate riders.

“Mortgage Rate” means, with respect to a Program, the rate initially specified in the related Invitation which rate may be revised from time to time pursuant to Authority Directives and published in the applicable Administrator’s Guidelines.

“Mortgage File” means the mortgage documents listed in the Servicer’s Guidelines pertaining to a particular Mortgage Loan, except those documents the originals of which are held by the Custodian.

“Mortgage Loan” means a mortgage loan at a fixed rate of interest equal to the Mortgage Rate for a loan term of 360 months (unless otherwise agreed in writing by the Issuer and the Servicer) 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, RD and/or VA and the mortgage loan origination procedures of GNMA, Fannie Mae or Freddie Mac, as applicable, which the Servicer Purchases from a Participant pursuant to this Agreement and the terms of which comply with this Agreement.

“Mortgage Loan Purchase Price” means with respect to a Program, the Purchase price as a percentage of the original principal amount of each Mortgage Loan paid to a Participant by the Servicer, plus accrued interest to the date of Purchase at the rate stated in the Mortgage Note (less unearned prepaid interest), as determined by the Servicer, and on the conditions and terms

set forth herein and in the applicable Administrator's Guidelines. The Mortgage Loan Purchase Price includes the applicable Lender Profit, if any.

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

"Mortgagee Single Interest Hazard Insurance Policy" means a mortgagee single interest hazard insurance policy or any similar policy maintained with respect to each Mortgage Loan by the Servicer.

"Mortgagee" means the Servicer or other holder of a Mortgage Note.

"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).

"Mortgagor's and Seller/Builder Affidavits" means the form of Mortgagor's Affidavit and Seller/Builder Affidavit, substantially in the form provided in the Lender's Guide.

"Non-Qualifying Mortgage Loan" means any Mortgage Loan which does not conform to the GNMA Guide, GNMA Guaranty Agreement, Fannie Mae Guides, Fannie Mae Guaranty Agreement, Freddie Mac Guides, Freddie Mac Guaranty Agreement or the Lender's Guide including, but not limited to the provisions of Section 4.11(a) hereof.

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

(a) As to the Issuer:

Escambia County Housing Finance Authority
P.O. Box 1026
Pensacola, Florida 32591

700 South Palafox Street, Suite 310
Pensacola, Florida 32502
Attention: Executive Director

(b) As to the Trustee:

U.S. Bank National Association
Corporate Trust Department
500 West Cypress Creek Road, Suite 560
Fort Lauderdale, Florida 33309

(c) As to the Servicer:

U. S. Bank National Association
17500 Rockside Road
Bedford, OH 44146

ATTN: Sally Mazzola
Scott Schmitt
Elaine Wojtowicz

(d) As to the Administrator:

Housing and Development Services, Inc., d/b/a eHousingPlus
3050 Universal Boulevard, Suite 190
Weston, Florida 33331
Attention: Paloma Miranda
Patt Denihan

(e) As to a Participant, the address shown on the accepted Invitation.

“Origination Fee” means a fee, if any, to be retained by the Participant 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 related Invitation and in the applicable Administrator’s Guidelines.

“Origination Period” means, with respect to each Series of Bonds, subject to Section 4.09 hereof, the period for the Purchase of Mortgage Loans from the Participants by the Servicer commencing on the related Application Start Date or Conditional Application Start Date and ending on the date (or dates) set forth in the applicable Administrator’s Guidelines, as may be extended pursuant to a Series Indenture; provided that an Origination Period shall end at least 30 days prior to the end of any related Certificate Acquisition Period (unless waived by the related Servicer).

“Participant” means, with respect to a Program, a home mortgage lending institution or entity, other than the Trustee, approved by the Servicer and (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 Servicer) and, if Conventional Mortgage Loans to be Purchased under the Fannie Mae or Freddie Mac program are to be originated, a Fannie Mae or Freddie Mac approved lender in good standing (unless waived by the 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, unless expressly approved by the Servicer in writing, not through correspondents or other agencies, pursuant to this Agreement and the related Invitation accepted by the Participant and

the Lender's Guide, (v) which has executed the related Invitation and this Agreement and (vi) which has executed the Participating Lender Agreement.

"Participating Lender Agreement" means the Participating Lender Agreement between the Participant and the Servicer, establishing the terms and conditions upon which the Servicer will manage a Participant's participation in a Program, as amended and supplemented, which Participating Lender Agreement is made a part hereof as if fully set forth herein.

"Pass-Through Rate" or **"Applicable Pass-Through Rate"** means, with respect to a Program, that rate of interest specified in the applicable Lender's Guide and stated on each GNMA Certificate, a Fannie Mae Security or Fannie Mac Security.

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

"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 guaranty by Fannie Mae in accordance with the Fannie Mae Guides.

"Pool Purchase Contract" means the Fannie Mae Pool Purchase Contract and the Freddie Mac Pool Purchase Contract..

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

“Program” means each program of the Issuer with respect to the financing of Mortgage Loans through the purchase of GNMA Certificates, Fannie Mae Securities and Freddie Mac Securities, as contemplated by the related Invitation and this Agreement and authorized by the Issuer from time to time.

“Program Administration Officer” means any officer of the Administrator involved in, or responsible for, the administration of the Mortgage Loans as evidenced by a certificate of the Administrator delivered to the Trustee, if any, the Servicer and the Issuer; provided that the designated officers of the Administrator may be changed from time to time by subsequent certificates delivered to the Trustee, if any, and the Issuer.

“Program Allocation,” “Allocation Amount” or “Allocation” means, with respect to each Participant in a Program, the aggregate principal amount of Mortgage Loans for Single Family Residences that the Issuer has notified Participant it can originate for sale to the Servicer pursuant to a related Invitation and the applicable Administrator’s Guidelines.

“Program Documents” shall have the respective meanings given such term in the Servicing Agreement and in the Program Administration Agreement.

“Program Invitation” or “Invitation” or “Invitation to Originate” means an invitation to originate Mortgage Loans in a Program, which invitation shall constitute a non-binding solicitation to participate in a Program and shall be distributed by the Issuer to each Participant (and potential Participants) prior to the issuance of a related Series of Bonds.

“Purchase” means any purchase by the Servicer of a Mortgage Loan from a Participant pursuant to Section 4.09 of this Agreement.

“Purchase Date” means the date on which a Purchase of a Mortgage Loan by the Servicer occurs which dates shall be established by the Servicer and as set forth in the Servicer’s Guidelines.

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

“Qualified Census Tracts” means those areas within the Participating Counties as provided in the applicable Administrator’s Guidelines.

“Rating Agencies” shall mean Moody’s, S&P or such other nationally recognized rating agency that shall rate a Series of Bonds at the request of the Issuer.

“RD” means the Rural Housing Services division of the United States Department of Agriculture, Rural Development, and its successors.

“RD Guaranteed” means guaranteed by RD pursuant to the RD Guaranteed Rural Housing Loan Program.

“RD Guaranty” means a guaranty of a Mortgage Loan pursuant to the RD Guaranteed Rural Housing Loan Program.

“RD Mortgage Loan” means a Mortgage Loan guaranteed as a Section 502 Program loan by the RD.

“RD/FHA/VA Mortgage Loans” means Mortgage Loans that are RD Guaranteed, FHA Insured or VA Guaranteed.

“Repurchase Price” means with respect to a Mortgage Loan or a proportionate interest in a GNMA Certificate, Fannie Mae Security or Freddie Mac Security attributable to a Mortgage Loan to be repurchased by a Participant pursuant to Section 4.11, the amount more fully described in the Participating Lender Agreement, plus any amounts advanced by the Issuer to pay the Lender Profit, or as established in the applicable Administrator’s Guidelines.

“S&P” shall mean Standard and Poor’s Ratings Group, a division of McGraw-Hill, Inc. If such entity shall for any reason no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Second Mortgage” means the written instrument securing the related Second Mortgage Loan, if any, and encumbering a Single Family Residence, which instrument shall be in the then-effective form required by the Issuer and substantially in the form as provided from time to time as set forth in the applicable Administrator’s Guidelines.

“Second Mortgage Application Fee” shall be as established from time to time by the Issuer and published in the applicable Administrator’s Guidelines.

“Second Mortgage Loan” means a mortgage loan to an Eligible Person or Family evidenced by a Second Note secured by a related Second Mortgage on a Single Family Residence.

“Second Mortgage Program” means programs established under Section 4.21 of this Origination Agreement providing for the financing of Second Mortgages to Mortgagors for Single Family Residences within the Participating Counties, and, any second mortgage program provided within such Participating Counties in accordance with the Lender’s Guide.

“Second Note” means the mortgage note executed to evidence the Mortgagor’s obligation to repay a Second Mortgage Loan, if any, which instrument shall be in the then-effective form required by the Issuer and substantially in the form as set forth in the applicable Administrator’s Guidelines.

“Series of Bonds” means a series of Bonds as so designated at the time of issuance in accordance with a Series Indenture, for the purpose of setting forth the applicable provisions regarding the terms, payment and other details of such Bonds.

“Servicer’s Guidelines” means guidelines prepared by the Servicer for the origination and delivery of Mortgage Loans to be Purchased by the Servicer and the eligibility, credit and security underwriting standards applicable thereto and made available to Participants for participation in a Program.

“Servicing Agreement” means the Master Servicing Agreement between the Issuer and the Servicer, as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

“Servicing Fee” means, with respect to a Program, a monthly fee set forth in the Servicing Agreement, to be retained by the Servicer as provided herein for services rendered hereunder and under the Servicing Agreement, and which fee includes a GNMA, Fannie Mae or Freddie Mac Guaranty Fee, as applicable.

“Servicing Officer” means any officer of the Servicer involved in, or responsible for, the servicing of the Mortgage Loans as evidenced by a certificate of the Servicer delivered to the Trustee, if any, the Administrator and the Issuer; provided that the designated officers of the Servicer may be changed from time to time by subsequent certificates delivered to the Trustee, if any, and the Issuer.

“Servicing Release Premium” shall mean the fee for release of servicing paid by the Servicer in the amounts and manner set forth in the Servicing Agreement.

“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, Fannie Mae or Freddie Mac standards, and acceptable to FHA, RD or VA, as applicable, but not 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, (iv) the Acquisition Price of which does not exceed the Maximum Acquisition Price, and (v) the land appurtenant to which reasonably maintains the basic livability of the residence and does not provide, other than incidentally, a source of income to the Mortgagor. A Single Family Residence is “new” if it has not been occupied prior to the issuance of a Commitment to a Mortgagor for a Mortgage Loan financing such Single Family Residence under the Program. A Single Family Residence is “existing” if it has been occupied prior to such Commitment.

“Standard Hazard Insurance Policy” means a standard homeowner’s fire insurance policy with extended coverage as approved by the Insurance Commission of the State, as required by Section 4.15 hereof.

“State” means the State of Florida.

“System” means the mortgage reservation and compliance system more fully described in Section 4.08 of this Agreement.

“Targeted Areas” means, with respect to each Program, the areas within the Participating Counties listed as Qualified Census Tracts as described in an Invitation and in the applicable Administrator’s Guidelines.

“Targeted Area Allocation” means, with respect to each Series of Bonds, that portion of the Program Allocation which must be used to make Mortgage Loans in Targeted Areas, which includes areas deemed to be targeted areas by operation of Section 1400T of the Code, as designated in the related Invitation and in the applicable Administrator’s Guidelines.

“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 in connection with the related Mortgage Loan.

“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.

“Veteran” is defined as “a person who served in the active military, naval or air service, and who was discharged or released therefrom under conditions other than dishonorable.” (Lenders must obtain a true and correct copy of borrowers’ discharge papers which demonstrate that his or her discharge or release was other than dishonorable.) Mortgagors and/or co-mortgagors that qualify as a veteran under 38 U.S.C. Section 101 and who have not previously obtained a loan financed by single family mortgage revenue bonds utilizing the Veteran’s Exception to the first-time homebuyer requirement set forth in Section 416 of the Tax Relief and Health Care Act of 2006 are not required to be a first homebuyer.

“Warehouse Agreement” means an agreement which allows a Warehouse Provider to purchase Mortgage Loans, GNMA Certificates, Fannie Mae Securities or Freddie Mac Securities during a delivery period specified therein after which such Mortgage Loans or GNMA Certificates, Fannie Mae Securities or Freddie Mac Securities, as the case may be, shall be subject to repurchase by the Issuer or the Trustee pursuant to a Series Indenture.

“Warehouse Provider” means a bank, financial institution or other provider of a Warehouse Agreement.

Section 1.02 Interpretation. (a) In this Origination Agreement unless the context otherwise requires:

(1) the terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Origination Agreement, refer to this Origination Agreement, and the term “heretofore” means before and the term “hereafter” means after the date of this Agreement;

(2) words of the masculine gender mean and include correlative words of the feminine and neuter genders, and words importing the singular number mean and include the plural number and vice versa; and

(3) unless otherwise indicated section references herein refer to sections of this Agreement.

(b) Nothing in this Origination Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Issuer, the Participant, the Servicer, the Administrator, the Trustee and the holders of the Bonds, any right, remedy or claim under or by reason of this Origination Agreement or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Participant, the Servicer, the Administrator, the Trustee and the holders of the Bonds.

(c) Except where the context otherwise requires, whenever in this Origination Agreement the Issuer, the Servicer, the Administrator, the Participant or the Trustee is named or referred to, it shall and shall be deemed to include its successors and assigns whether so expressed or not. Except where the context otherwise requires, all of the covenants, stipulations, obligations and agreements by or on behalf of, and provisions for the benefit of the Issuer, the Servicer, the Administrator, the Participant or the Trustee contained in this Origination Agreement shall bind and inure to the benefit of such successors and assigns.

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations, Warranties and Covenants of the Issuer. The Issuer represents and warrants to, and covenants with, the Participant, the Trustee, the Administrator and the Servicer that:

(a) The Issuer is a separate public body corporate and politic duly organized and created by the Board of County Commissioners of Escambia 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 Origination Agreement and the execution and delivery of a Master Indenture.

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

(c) The Issuer proposes to issue Bonds from time to time to finance Programs on the terms and basis to be set forth in the Series Indenture and covenants to use the proceeds thereof (including proceeds of bonds refunded with the proceeds of the Bonds) for the purpose of purchasing GNMA Certificates, Fannie Mae Securities and Freddie Mac Securities secured by the underlying Mortgage Loans on Single Family Residences, as specified herein and in the Series Indenture for such Program.

(d) In respect of Mortgage Loans purchased with proceeds of Bonds, the execution and delivery of the Program Documents by the Issuer, the issuance of the Bonds by the Issuer in the manner contemplated by the Indenture, and the performance of and compliance with the terms of the Program Documents and the Indenture by the Issuer will not violate (i) the instruments creating the Issuer or governing its operations in any respect, or (ii) any laws in any respect that could have any material adverse effect whatsoever upon the validity, performance, or enforceability of any of the terms of the Program Documents and the Indenture.

(e) This Agreement, as supplemented with respect to each Program by a related Invitation and the applicable Administrator's Guidelines, and all documents and instruments contemplated hereby that are executed and delivered by the Issuer, and the Bonds, when issued and authenticated in accordance with a Series Indenture, will constitute valid, legal and binding obligations of the Issuer, enforceable in accordance with their terms, except as the enforcement thereof may be limited by applicable bankruptcy, moratorium, or other laws affecting creditors' rights generally.

Section 2.02 Representations, Warranties and Covenants of Participant. The Participant represents and warrants to, and covenants with the Issuer, the Trustee, the Administrator and the Servicer (each of which representations, warranties and covenants herein

and with respect to any Mortgage Loan originated by Participant hereunder shall survive the Purchase of Mortgage Loans originated by Participant) that:

(a) The Participant is and will continue to be an entity duly organized and validly existing and in good standing under the laws of the state in which it was incorporated or formed, or is duly chartered or incorporated under federal law, is duly authorized to transact business in the State, has been in business for at least two years, and customarily provides service or otherwise aids in financing mortgages located in the State.

(b) The Participant agrees that during the term of this Origination Agreement with respect to each Program in which it is a Participant, 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 the Participant may, without violating the agreement 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, 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 "Participant," as defined herein, and shall assume in writing all of the obligations of a Participant under this Origination Agreement (in the case of a sale of all or substantially all of the Participant's assets, the Issuer, shall release the Participant in writing, concurrently with and contingent upon such assumption, from all liability to the Issuer hereunder).

(c) The Participant has the power to accept the terms of and to execute and deliver the related Invitation, the Participating Lender Agreement and this Origination Agreement, to enter into the transactions contemplated by this Origination Agreement, and the acceptance and performance of this Origination Agreement has been duly authorized by all necessary corporate and other action.

(d) Neither the acceptance, execution or delivery of the related Invitation, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of the Participating Lender Agreement and this Origination 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 the Participant is now a party or by which it is bound, or constitute a default under any of the foregoing.

(e) The Participant will not take or omit to take any action or permit any action that 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) The Participant (including a "related person" thereof, within the meaning of Section 144(a)(3) of the Code) may purchase Bonds; however it shall not, pursuant to any

arrangement, formal or informal, purchase Bonds in an amount related to the amount of Mortgage Loans to be originated by the Participant pursuant to this Origination Agreement.

(g) The Participant shall furnish its Acknowledgement and Acceptance of a related Invitation and all required documents requested by the Issuer and Servicer or other parties to the transactions contemplated hereby by the dates specified in the related Invitation.

(h) Except as otherwise expressly approved by the Servicer and Administrator, the Participant is at the time of execution of this Agreement and will at all pertinent times in the future in connection with each Program be in good standing with the Servicer and (i) an FHA-approved mortgagee, with direct endorsement underwriting authority preferred, in good standing, (ii) an approved lender in good standing for VA-guaranteed mortgage loans (with automatic approval authority preferred), (iii) an approved lender in good standing for RD Guaranteed Mortgage Loans, and (iv) if Conventional Mortgage Loans to be Purchased under the Fannie Mae or Freddie Mac program are to be originated, a Fannie Mae or Freddie Mac approved lender in good standing. The Participant will notify the Servicer and Administrator in writing at such time as its status with respect to items (i) - (iv) in this paragraph (h) changes.

(i) The Participant 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 RD Mortgage Loan, with the rules and regulations of RD, including all rules and regulations under Chapter 7 of the Code of Federal Regulations applicable to such Mortgage Loan; (iv) with respect to each Mortgage Loan, with all the requirements of, and the "Representations and Warranties of Lender" set forth in, the GNMA Guide, Fannie Mae Guides, Freddie Mac Guides, Lender's Guide, or Participating Lender Agreement, as applicable, and (v) any and all applicable laws governing or regulating the origination of mortgage loans.

(j) Participant currently, and at all pertinent times in the future in connection with each Program in which it participates (a) is and will be authorized to make mortgage loans in the State, and (b) is and will be a "lending institution" as that term is defined in the Florida Housing Law, Section 159.601, et seq. and (c) either (i) is and will be originating mortgage loans for Single Family Residences within the Eligible Loan Area, and has an office located within the Eligible Loan Area, or (ii) has and will have made arrangements to receive applications for Mortgage Loans within the Eligible Loan Area.

(k) Participant agrees, with respect to each Program in which it participates, to indemnify and hold harmless jointly and severally the Issuer, Trustee, Administrator and 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 Participant of any act required hereunder or the breach of any representation or warranty made herein or in the New Account Approval Package or any supplements thereto, or any breach of law.

(l) There is and at all pertinent times in the future in connection with each Program in which it participates there will be no litigation pending or, to the Participant's knowledge, threatened, against the Participant or affecting the right of any of the present members of the board of directors or officers of the Participant to their respective offices or their jurisdiction or authority over the affairs of the Participant, nor in any way questioning the execution or validity of this Origination Agreement; there are no other legal or governmental proceedings (other than ordinary routine litigation incident to the business conducted by the Participant, or, to the Participant's knowledge, threatened by any governmental authority or others) to which the Participant is (or may be) a party or by which the Participant is (or may be) bound or by which any property of the Participant is (or may be) subject, which, if finally determined adversely to the Participant, would individually or, in the aggregate, have a material adverse effect on the financial position or results of the operations of the Participant.

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

(n) The Participant 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 any other Presidential Executive Orders applicable to the Program as a recipient of federal financial assistance and the Fair Housing Amendments Act of 1988.

(o) In connection with the transactions contemplated by the Program Documents, the Participant has not contracted or entered and will not directly or indirectly contract or enter into any agreement with any other mortgage lender or any other person or institution (except the Issuer or its agents) with respect to any aspect of its participation in a Program, other than any agreement expressly authorized by the Program Documents. In particular, the Participant warrants that, prior to the delivery of its acceptance of the related Invitation to Issuer with respect to a Program, it has not and 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 Program.

(p) The information contained in the New Account Approval Package submitted by the Participant does not, as of the date of delivery of this Agreement, and at all pertinent times in the future in connection with each Program in which it participates, and the information contained in any certificate of an officer or statement furnished in writing, or report required hereunder, delivered to the Servicer, the Administrator, the Issuer or the Trustee will not, to the knowledge of the Participant, contain any untrue statement of a material fact or omit a material fact necessary to make the information, certificate, statement or report not misleading.

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

(r) Participant shall use diligent, reasonable efforts to become and to remain familiar with all FHA, VA, RD, GNMA, Fannie Mae and/or Freddie Mac, if applicable, rules and regulations applicable to the Program, including, but not limited to, any changes or proposed changes in the GNMA Guide, Fannie Mae Guides and/or Freddie Mac Guides, the Lender's Guide, and the Participating Lender Agreement, size of Pools or other features affecting the Purchase of Mortgage Loans hereunder. Any failure of the Issuer, Administrator or Servicer to inform Participant of changes or proposed changes in FHA, VA, RD, GNMA, Fannie Mae and/or Freddie Mac rules and regulations affecting the Program shall not relieve Participant of its obligations under this subsection(s).

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

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

(u) Participant 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.

(v) In connection with any third party request for information pursuant to the Florida Public Records Act, Chapter 119, Florida Statutes ("FPRA"), the Participant agrees to comply with the provisions of the FPRA which exempt from disclosure certain personal information provided by applicants for Mortgage Loans under a 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.

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

(a) The Servicer is and at all pertinent times in the future in connection with each Program in which it acts as Servicer 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 the Program Documents and to execute, deliver and comply with its obligations under the terms of

this Agreement. The acceptance of the duties of Servicer hereunder and performance of this Agreement by the Servicer have been duly authorized by all necessary corporate action.

(b) The execution and delivery of the related Invitation and this Agreement by the Servicer 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 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 material breach of, any material contract, agreement or other instrument to which the Servicer is a party or which may be applicable to it or any of its assets.

(c) The execution and delivery of the related Invitation and this Agreement by the Servicer 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) The related Invitation and this Agreement, and all documents and instruments contemplated hereby, which are executed and delivered by the Servicer, when duly executed and delivered by the other parties hereto and thereto, will constitute valid, legal and binding obligations of the Servicer, enforceable against the Servicer in accordance with their respective terms, except as the enforcement thereof may be limited by applicable debtor relief laws.

(e) The Servicer is a Fannie Mae-approved seller-servicer of Conventional Mortgage Loans and GNMA-approved issuer-servicer for RD/FHA/VA Mortgage Loans and an authorized issuer for GNMA Certificates and 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 Servicer will comply, (i) as to each FHA Mortgage Loan, with the National Housing Act of 1934, as amended, all rules and regulations issued thereunder and all applicable administrative publications, (ii) as to each VA Mortgage Loan, with the Servicemen's Readjustment Act, as amended, all rules and regulations issued thereunder and all applicable administrative publications, (iii) as to each RD Mortgage Loan, with the rules and regulations of RD, (iv) as to each Mortgage Loan, with the provisions of the GNMA Guide, the Fannie Mae Guide and/or the Freddie Mac Guides, if applicable, and all other pertinent rules, regulations, policies and guidelines of GNMA, Fannie Mae or Freddie Mac, as applicable and (v) as to each Conventional Mortgage Loan, with provisions of the Pool Purchase Contract, the Fannie Mae Guides, the Freddie Mac Guides and all other applicable rules of Fannie Mae or Freddie Mac, as applicable.

(g) With respect to its duties hereunder, the 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 any other Presidential Executive Orders applicable to the Program as a recipient of federal financial assistance and the Fair Housing Amendments Act of 1988.

(h) From time to time, the Servicer will report to the Issuer and the Trustee, if any, 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 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, and will possess all requisite authority, power, licenses, permits and franchises to conduct any and all business contemplated by this Origination Agreement, the MBS Agreements, the Pool Purchase Contract, the Servicing Agreement and the Participating Lender Agreement (collectively, the "Servicer Program Documents") and to execute, deliver and comply with its obligations under the terms of the Servicer Program Documents. The execution, delivery and performance of the Servicer Program Documents by the Servicer in connection with each Program have been and will have been duly authorized by all necessary corporate action. The Servicer 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 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 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 of at least \$100,000,000 (or such other amount as may be acceptable to the Issuer), be an approved GNMA issuer-servicer and an approved Fannie Mae and Freddie Mac seller-servicer, 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 Servicer evidenced to the satisfaction of the Issuer to perform the Servicer's duties under this Agreement, and shall assume in writing or by operation of law all of the obligations of the Servicer under the Servicing Agreement, in which event the Issuer shall release the Servicer in writing, concurrently with and contingent upon such assumption, from all obligations to the Issuer so assumed.

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

(k) The Servicer is and during the term of this Agreement with respect to all Programs for which it acts as Servicer will remain a mortgage banker, mortgage company or other financial institution that customarily provides service or otherwise aids in the financing of mortgage loans on single family residential housing located within the State, or a holding company of one or more of the foregoing.

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

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

(n) The Servicer shall use its best efforts, in the capacity of Servicer under each Program to obtain an aggregate dollar amount of Mortgage Loans sufficient for Pooling into a GNMA Certificate, Fannie Mae Security or Freddie Mac Security, as the case maybe, or an exception from the Pooling requirements from GNMA, Fannie Mae or Freddie Mac, as the case may be.

(o) In connection with any third party request for information pursuant to the Florida Public Records Act, Chapter 119, Florida Statutes (“FPRA”), the Servicer 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.

Section 2.04 Representations, Warranties and Covenants of the Administrator.

The Administrator represents and warrants to, and covenants with, the Participant, the Issuer, the Servicer and the Trustee 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 related Invitation and 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 the related Invitation and 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) The related Invitation and 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 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 to the Trustee, if any, 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 of any such Program, or with the Issuer, or, to the knowledge of the Administrator, any Participant 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 PROCEEDS

Section 3.01 Agreement to Issue 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 a Series Indenture and apply the proceeds of such Series of Bonds in the manner therein required.

Section 3.02 No Legal or Equitable Interest of Participant in Funds or Accounts Under Any Series Indenture. The Participant shall have no legal or equitable right to any funds or accounts created by or pursuant to any Series Indenture, or to any of the Bond proceeds, or other moneys or investments contained in such funds or accounts or otherwise pledged to the payment of the principal of, premium, if any, and interest on the Bonds pursuant to such Series Indenture.

Section 3.03 Program Allocation Procedures. With respect to each Series of Bonds, Program Allocations may be derived from (i) the sale of a Series of Bonds, (ii) certain moneys from prior issues of obligations of the Issuer refunded by such Bonds, (iii) proceeds of the Bonds of other Participants, (iv) a Warehouse Provider, (v) a forward Mortgage Loan purchase program and/or (vi) other legally available monies of the Issuer or public agencies of the State. A Participant's Allocation funded from proceeds of a Series of Bonds may only be used in the Participating Counties and in amounts as provided in the related Invitation and in the applicable Administrator's Guidelines. A Dedicated Pool Allocation (as described in Section 4.01 hereof) may not be transferred to any other Participant or any institution which is not a Participant as of the date hereof unless (i) with respect to any non-Participant, such institution complies with the requirements of Section 4.01 hereof, executes a copy of this Agreement and otherwise complies with the requirements of the Administrator and/or Servicer for participation in the Program, and (ii) the Allocation to be transferred is at least \$250,000 or otherwise approved by the Administrator, the Servicer and the Issuer.

ARTICLE IV

COMMITMENTS TO BUY AND SELL MORTGAGE LOANS

Section 4.01 Commitments to Buy and Sell Mortgage Loans; Program Allocations; Targeted Areas.

(a) Invitations to Originate; Program Allocations. From time to time and prior to the issuance of a related Series of Bonds, the Issuer shall distribute an Invitation to Originate to Participants hereunder, as well as any additional mortgage lending institutions selected by the Issuer. In order to be considered for participation in a Program, Participants shall deliver to the Issuer its acceptance of the related Invitation and any other documentation required by the Issuer in the form and at the time designated by the Issuer. Subsequent to the Issuer's receipt of such acceptance, the Issuer, in its sole and absolute discretion, (i) may establish a first come, first served Mortgage Loan reservation pool (a "Reservation Pool") or (ii) provide specific Program Allocations to each Participant selected for participation in the Program (a "Dedicated Pool"). The related Invitation and the applicable Administrator's Guidelines maintained on the Lender Portal shall provide (i) the manner of Allocation, (ii) with respect to a Reservation Pool, the manner of reserving the principal amount of a Mortgage Loan for which the Participant has received application from a borrower, and (iii) with respect to a Dedicated Pool, the amount of Program Allocation for each Participant. Upon the Issuer's receipt of a Participant's acceptance of a related Invitation and subject to any reservation of a Program Allocation for any of the Mortgage Loans described in paragraphs (b) and (c) of this Section 4.01, the Servicer hereby agrees to Purchase and take delivery from Participant, and Participant agrees to use its best efforts to originate and thereafter sell and assign to such Servicer, Mortgage Loans conforming to the requirements of this Agreement and the applicable Administrator's Guidelines (subject to limitations on use of an Allocation in given Participating Counties as provided in Section 3.03 hereof), at the Mortgage Loan Purchase Price set forth in the related Invitation and in the applicable Administrator's Guidelines. The Purchase price for each Mortgage Loan shall be paid in accordance with Section 4.09 hereof. The Servicer's obligation to Purchase and take delivery is subject to the availability of sufficient funds to purchase GNMA Certificates or cause Fannie Mae Securities or Freddie Mac Securities to be issued in accordance with the provisions hereof or of a Series Indenture. Notwithstanding the foregoing, no Participant shall originate a Disaster Area Loan until the Servicer has notified each Participant that the Issuer has authorized the purchase of Disaster Area Loans.

Participant acknowledges that as a condition to Purchase of each of the Mortgage Loans by the Servicer, the Mortgage Loan shall (i) be current in payments of principal, interest and tax and insurance escrows, (ii) be in compliance with the applicable requirements of FHA, VA, RD, GNMA, Fannie Mae, Freddie Mac, the Program Documents, the Administrator's Guidelines, the Servicer's Guidelines, the GNMA Guide, Fannie Mae Guides or Freddie Mac Guides, if applicable, and the PMI Insurer with respect to Conventional Mortgage Loans, if applicable, and (iii) in the case of the initial Purchase of Mortgage Loans, be in an amount, together with other FHA/VA/RD Loans or Conventional Mortgage Loans, as applicable, to allow the Servicer to meet minimum Pool size requirements for a GNMA Certificate, in the case of FHA/VA/RD

Loans, or the minimum Pool size requirements for a Fannie Mae Security or Freddie Mac Security, in the case of Conventional Mortgage Loans.

Participant understands and agrees that:

(1) Except in the case of a Program Allocation Reservation Pool, within Escambia, Holmes, Okaloosa, Santa Rosa, Walton and Washington Counties (the “Escambia Region”), the Program Allocation of each Participant for the Escambia Region may be used only in the Participating Counties within the Escambia Region during the Commitment Period, and, after the Commitment Period, uncommitted funds may be used in any of the Participating Counties if approved by the Issuer, subject to the provisions of Section 3.03 hereof and any limitations contained in a Series Indenture, the related Invitation and in the applicable Administrator’s Guidelines.

(2) Except in the case of a Program Allocation Reservation Pool, the Program Allocation (other than Targeted Area Allocation) of each Participant designated in the applicable Administrator’s Guidelines may be used prior to the Allocation Restriction Date only in each respective County and only in the amounts for which funds have initially been allocated pursuant to the applicable Administrator’s Guidelines. After the Allocation Restriction Date, each Participant may use the balance of its Program Allocation (other than Targeted Area Allocation), for which applications have not yet been received by a Participant, in any of the Participating Counties during the remainder of the Commitment Period, upon notification of the Servicer, the Administrator and the Issuer and subject to the provisions of Section 3.03; provided that (i) moneys allocated under the applicable Administrator’s Guidelines may only be used within the Participating Counties so indicated. Any portion of a Participant’s Program Allocation which has not been committed at the end of the Commitment Period may be reallocated by the Issuer in a manner deemed to be in the best interest of the Program.

In the event that the Issuer maintains a pooled Allocation not purchased by a Participant at the time the Program is commenced, the provision of the last two sentences of the foregoing paragraph shall apply to such Allocation when transferred to the Participant upon such additional terms as the Issuer may specify in writing.

(3) Subject to the preceding requirements, Commitments shall be made to applicants on a first-come first-served basis. Participants are required to utilize procedures to ensure the application of the first-come first-served requirement.

In the event the Issuer extends the Origination Period with respect to a Program, the Issuer may, in its discretion, allocate funds available during such extended period. The Issuer shall promptly notify the Servicer and the Administrator of any change in Allocations.

During the Origination Period with respect to a Program, a Participant, with the prior written consent of the Issuer, the Servicer and the Administrator, may transfer all or a portion of its Dedicated Pool Program Allocation to one or more other Participants, for the purpose of ultimately fulfilling its obligation to the Issuer, complying with the requirements of this Article IV, or for such other reasonable purposes that shall be specified in writing in the

Participant's request submitted to the Administrator, the Servicer and the Issuer. A Participant'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, the Servicer and the Administrator. The Administrator shall advise the affected Participants of the decision with respect to any requested transfer by sending a notice in writing, which may include electronic communication, to such Participants with a copy to the Issuer and the Servicer. In no event may a Participant charge or receive any fee or remuneration for the Allocation being transferred.

At the end of the Origination Period, the Issuer shall terminate any Allocation or portion thereof that is not then the subject of a Mortgage Loan submitted for Purchase. Nothing in this Section 4.01 shall be construed to permit the origination or Purchase of any Mortgage Loan following the end of the Origination Period.

Participant shall originate Mortgage Loans and close and deliver such Mortgage Loans at such times as will enable the Servicer to Purchase such Mortgage Loans as set forth in the related Invitation, the Lender's Guide and the Participating Lender Agreement.

The provisions of the related Invitation and applicable Administrator's Guidelines 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 RELATED INVITATION AND APPLICABLE ADMINISTRATOR'S GUIDELINES AND THIS AGREEMENT, THE PROVISIONS OF THIS AGREEMENT IN THE FORM FINALLY APPROVED BY THE ISSUER PRIOR TO AND/OR UPON ISSUANCE OF EACH SERIES OF BONDS SHALL CONTROL WITH RESPECT TO THE PROGRAM RELATING TO SUCH BONDS. THE SERVICER SHALL NOT BE REQUIRED TO PURCHASE MORTGAGE LOANS FROM ANY PARTICIPANT THAT IS DELINQUENT IN FILING THE REPORTS REQUIRED PURSUANT TO SECTION 4.18 HEREOF.**

(b) Targeted Area Reservations and Reservations.

(i) A portion of the funds made available by the issuance of a Series of Bonds, other than Bonds issued to refund all or a portion of a Series of Bonds, in amounts specified by the 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 Administrator's Guidelines. The Series Targeted Area Loan Amount, if any, shall be set forth in the applicable Administrator's Guidelines.

(ii) With respect to a Dedicated Pool Program Allocation, unless otherwise provided in the related Invitation and applicable Administrator's Guidelines, each Participant shall reserve for a period of one year from the Application Start Date with respect to a Program financed or to be financed by a Series of Bonds the amount set forth as such Participant's Targeted Area Reservation in and the related Invitation and in the applicable Administrator's Guidelines for the origination of Mortgage Loans to finance Single Family Residences located in Targeted Areas; provided, however, that unless otherwise approved by the Participant, no

Participant's Targeted Area Reservation shall exceed 20% of such Participant's Program Allocation. During such one year period from the Application Start Date, the Servicer shall not be obligated to Purchase from a Participant Mortgage Loans that are originated to finance Single Family Residences not located in Targeted Areas in an aggregate principal amount greater than such Participant's total Program Allocation less the amount of such Participant's Targeted Area Reservation. The Participant shall use reasonable diligence to originate Mortgage Loans for acquisition of Single Family Residences in Targeted Areas. At the end of 12 months, moneys previously designated for the Purchase of Targeted Area Mortgage Loans may be used to Purchase spot loans.

If any Targeted Area Allocation becomes available under a pooled Allocation program maintained by the Issuer, such Allocation shall be subject to such restrictions established in writing by the Issuer and furnished to the Participant as may be necessary to implement any applicable requirements for Targeted Areas.

(c) Issuer Reservation. In its sole and absolute discretion, the Issuer may reserve and not immediately allocate to any Participant a portion of the funds made available for a Program. Such reservation of funds, if any, to purchase Mortgage Loans shall be allocated from time to time by the Issuer to Participants for use in such amounts and in such Participating Counties or regions as shall be set forth in the applicable Administrator's Guidelines. Without the prior written consent of the Issuer, any such allocated moneys for the purchase of Mortgage Loans shall be used only to finance Single Family Residences located in the Participating County or Counties specified in the applicable Administrator's Guidelines.

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 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 the 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 Participant's then current underwriting policies and the then current underwriting policies of FHA, VA, RD, the PMI Insurer, if any, GNMA, Fannie Mae and Freddie Mac, as applicable, and all other requirements established by this Agreement and the then current criteria set forth in the GNMA Guide, the Fannie Mae Guides, the Freddie Mac Guides, or the Lender's Guide, as applicable, and in any event subject to final review by the Servicer and Administrator. All Mortgage Loans eligible for inclusion in a GNMA Certificate shall be insured by FHA or guaranteed by VA or 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, as applicable.

Each Mortgage Loan (i) shall bear interest at the Mortgage Rate, (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 (unless otherwise agreed in writing by the Issuer and the Servicer), (iv) shall be assumable only under the terms and conditions set forth in Section 4.16 herein, (v) shall comply in all respects with the Program Documents, the GNMA Guide, the Fannie Mae Guides, the Freddie Mac Guides, the Lender's Guide and FHA, VA, or 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 Fannie Mae, Freddie Mac, FHA, RD or VA, as applicable, the Program Documents, the Servicer's Guidelines, the GNMA Guide, the Fannie Mae Guides and the Freddie Mac 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 included within the Lender's Guide. Participant shall originate all Mortgage Loans in accordance with the loan origination, eligibility and credit underwriting standards of FHA, VA, RD, Fannie Mae or Freddie Mac, as applicable, and the GNMA Guides, the Fannie Mae Guide, the Freddie Mac Guides and the Lender's Guide.

In the event a Mortgagor, in addition to the Mortgage Loan, receives an Assistance Grant or Second Mortgage, the Mortgagor shall be entitled to a credit of such amount initially advanced by the Participant. In accordance with the applicable guidelines of GNMA, FHA, VA, RD, Fannie Mae, Freddie Mac and the Lender's Guide, the Participant will be reimbursed for amounts advanced upon purchase of the Mortgage Loan by the Servicer.

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

With respect to Manufactured Homes, each such home must meet GNMA standards and be acceptable to RD, FHA or VA, as applicable, and GNMA, Fannie Mae or Freddie Mac. A Mortgage Loan made for a Single Family Residence which is a Manufactured Home or co-op is eligible for inclusion in a Fannie Mae Security or Freddie Mac Security only if determined by the Servicer and Administrator to be eligible for inclusion.

Section 4.03 Processing, Origination Fees and Closing Costs. Subject to the maximum charges set forth in the applicable Administrator's Guidelines, but only as permitted by FHA, RD, VA, Fannie Mae or Freddie Mac, as applicable, the Participant may, in connection with each Mortgage Loan, charge and collect from the Mortgagor or seller of a Single Family Residence at the time of Closing of the Mortgage Loan the following: (i) the Origination Fee, which Origination Fee shall not in any event exceed the applicable Fannie Mae, Freddie Mac, FHA, VA or RD limits, (ii) the Discount Fee, and (iii) all reasonable and customary out-of-pocket costs permitted by law paid or incurred by Participant, including but not limited to the tax service fee and the life of loan flood monitoring fee as specified in the Lender's Guide, notary fees, settlement fees, document preparation fees, hazard, mortgage or life insurance premiums,

survey, title insurance premiums, appraisal fees, attorneys' fees, the Bond Application Fee (pursuant to Section 4.08 hereof), documentary and intangible taxes, if any, recording or registration taxes and charges, prepaid escrow deposits and similar charges. The HUD-1 Settlement Statement and related loan documents shall separately and distinctly disclose the Origination Fee and Discount Fee, if any, and shall clearly reflect that the Origination Fee does not exceed 1% of the principal amount of the Mortgage Loan or such other amount allowed by FHA, VA, RD, Fannie Mae or Freddie Mac regulations, as applicable, subject to the limits set forth in the applicable Administrator's Guidelines.

In addition, Participant may collect at the time of loan application an Application Fee in an amount approved by the Issuer as set forth in the related Invitation and in the applicable Administrator's Guidelines for the costs of the appraisal and the credit report (any moneys remaining out of the Application Fee must be refunded at the time of Closing) from the Mortgagor or Seller as permitted by Fannie Mae, Freddie Mac, FHA, VA or RD, as applicable. Participant may also collect at the time of Closing from the Mortgagor or seller as permitted by Fannie Mae, Freddie Mac, FHA, RD or VA, as applicable, all reasonable and customary out-of-pocket costs permitted by law paid or incurred by Participant, 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, Bond Application Fee, applicable documentary and intangible taxes, if any, the tax service contract fees and life of loan flood monitoring fees as specified in the Lender's Guide, recording or registration taxes 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 Servicer. Under current law, the note and mortgage are exempt from documentary stamp and intangible taxes under State 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 Participant 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 Mortgagors' Federal Income Tax Returns.

Prior to Closing, unless otherwise specified in the Administrator's Guidelines, Participant 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 Participant 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, Participant 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 residence. A residence includes property that is a fixture under local law, such as light fixtures or wall-to-wall carpeting. Thus, if the purchaser purports separately to purchase such items, the cost of those items must be included in the cost of acquisition. On the other hand, property which is not considered a fixture under local law, such as appliances, is not considered part of a Single Family Residence and the cost of acquiring such items does not have to be included in the cost of acquiring the Single Family 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 Price of the Single Family 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 Single Family 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 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 related Series of 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 a 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 or as otherwise provided in the related Invitation and in the applicable Administrator's Guidelines, 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 the date on which the Mortgage is executed. 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 signing the Mortgage 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. Unless otherwise permitted by FHA, VA or RD as applicable, 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 home purchaser failing to meet the First Time Homebuyer requirements) are the following:

(a) A fee simple interest;

- (b) A joint tenancy, a 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 interests which do not constitute present ownership interests (and thus would not result in a potential home purchaser 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 Restriction on Purchase of Bonds. Each Mortgagor will evidence his or her agreement not to purchase Bonds or to allow any “related person” (within the meaning of Section 144(a)(3) of the Code) to purchase Bonds pursuant to any arrangement, formal or informal, in an amount related to the amount of his or her Mortgage Loan by delivery of the Mortgagor’s Affidavit in the form provided in the Lender’s Guide.

Section 4.08 Mortgage Loan Approvals; Submission for Purchase and Recertification.

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

(b) Participants will be provided and are required to utilize the Administrator's mortgage reservation tracking and reporting processes necessary to originate Mortgage Loans under a Program and compliance system (the "System"). The System will be made available on-line via the internet and will include a portal principally designed for Participants (the "Lender Portal"). The Lender Portal will provide all required guidelines, forms, notices and other pertinent Program information. All technical assistance required by a Participant will be provided by the Administrator.

Participant shall submit to the Servicer, with respect to each Mortgage Loan, the documents described in and at the times no later than the times required in the Lender's Guide and Participating Lender Agreement. Participant shall pay all costs of preparing and furnishing such files to the Servicer. The Servicer shall not purchase any Mortgage Loan that does not have Compliance Approval (as defined in the Lender's Guide) by the Program Administrator.

In situations where a potential homebuyer has non-conventional income or a complex compliance situation, the Administrator will assist the Participant in determining a reasonable assumption of income or means of compliance. Compliance Files and Mortgage Files will be reviewed within a 72-hour period and the Participant will be immediately informed of any exceptions. Participants will have continuing access to the Lender Portal where status of the Compliance File and Mortgage File can be reviewed at any time. The Participant is responsible for curing Mortgage File and Compliance File deficiencies, and if Compliance File deficiencies are not cured within a reasonable time, Administrator will recommend the Mortgage Loan not be Purchased by the Servicer. If Mortgage File deficiencies are not cured within a reasonable period of time, the Servicer will not Purchase the Mortgage Loan. Participants who continuously submit erroneous Mortgage Files and Compliance Files will be assessed a charge by the Administrator or Servicer, as applicable, in an amount not to exceed \$1,000.

The Issuer, the Servicer and the Administrator reserve the right to change or establish additional procedures by which Compliance Files and Mortgage Files are reviewed and will provide such changes or additional procedures to the Participant via the System or other electronic communication.

The Participant shall pay a \$225 Bond Application Fee, or other amount as provided in the related Invitation and in the applicable Administrator's Guidelines. The Bond Application Fee is to be included in the Compliance File and may be a corporate check, cashier's check or money order.

The Participant shall service each Mortgage Loan originated by it and any related Second Mortgage Loan under the Program from the Closing date to the Purchase Date of such Mortgage Loan, which servicing shall include processing, posting payments and paying taxes and insurance with respect thereto. Participants shall be obligated to pay any fees or penalties associated with late payment of taxes and/or insurance that were due with respect to a Mortgage Loan during the period prior to the Purchase thereof.

The Mortgage File will be reviewed prior to the Purchase Date by the Servicer pursuant to procedures established by the Servicer. On or immediately after Purchase of the Mortgage Loan, the Servicer will deliver an advice of Purchase to the Participant. Following Purchase, the Servicer shall forward to the Custodian such documents as may be required by GNMA, Fannie Mae, or Freddie Mac, as applicable. Any Mortgage Loan with respect to which the Mortgage File is deemed to be defective will be returned to the Participant by the Servicer with all instruments submitted in accordance with this Section; provided, however, the Servicer in its discretion may hold such documents pending curative action. To be Purchased, such defective Mortgage Loan must be resubmitted in accordance with the procedures of this Section. Participant will provide Administrator with the Compliance File and the Mortgage File after Closing, which Compliance File and Mortgage File will contain all documents required by the Program. Upon request of the Administrator or the Servicer, Participant will provide additional copies of the Mortgage File or any documents therein at Participant's expense. The Administrator will provide the Mortgage File to the Servicer upon receipt. Neither the examination and acceptance of a Compliance File or Mortgage File by the Administrator or the Servicer hereunder nor the Purchase of a Mortgage Loan by the Servicer shall constitute a waiver of any warranty, representation or covenant by the Participant or the Mortgagor with respect to the Mortgage Loan to which the Compliance File or the Mortgage File pertains.

Review and approval shall not assure the subsequent Purchase by the Servicer in the event that factual changes occur with respect to the Compliance File or the Mortgage File or the Program between the date of approval and such Purchase Date.

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

(c) The Servicer has no obligation to purchase Mortgage Loans unless (i) such Mortgage Loans are eligible for inclusion in a Pool for a GNMA Certificate, Fannie Mae Security or Freddie Mac Security and there are available Program funds to purchase the GNMA Certificate, Fannie Mae Security or Freddie Mac Security. All Mortgage Loans must be current in payments of principal, interest and tax and insurance escrows at the time of Purchase by Servicer.

(d) Prior to the delivery of the Mortgage File to the Servicer in connection with the Purchase of a Mortgage Loan, the Participant shall record or file for record an Assignment of Mortgage in all offices necessary to perfect the assignment of the Mortgage to the Servicer under

the laws of the State. All notices to insurers under any insurance policies maintained with respect to a Mortgage Loan for the assignment to Servicer of the servicing of such Mortgage Loan shall be given by each Participant prior to purchase by the Servicer. Immediately upon Purchase, written notice shall be given to the Mortgagor that servicing has been assigned to the Servicer and that future payments on the Mortgage Loan are to be made to the Servicer. Participant shall also provide to the Servicer or the Trustee on behalf of the Issuer such other reports or information regarding the Mortgage Loan being sold by such Participant as may be reasonably requested by the Administrator, Servicer or the Issuer.

(e) Notwithstanding the delivery procedures of this Section 4.08, the Servicer may, in its discretion, accept Mortgage Files for Purchase which contain certified copies of the Mortgage, 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 pertinent Mortgage Loan for Purchase without such originals or certificate if the Mortgage File includes all of the applicable documents listed in the next succeeding sentence and 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, together with all applicable riders, the original recorded Assignment of Mortgage, the title insurance policy and FHA Mortgage Insurance Certificate, VA Loan Guaranty or RD Loan Guaranty Certificate or Private Mortgage Guaranty Insurance, as applicable, must be submitted to the Servicer within ninety (90) days from the Purchase Date of the subject Mortgage Loan. Should the Participant fail to satisfy, within 120 days from date of Purchase, the requirements for document delivery with respect to any Mortgage Loan purchased, the Servicer reserves the right to assess a penalty fee for each calendar month or portion thereof if required documentation is not received. The Servicer's assessment of such penalty fee shall be in addition to and not in lieu of the Servicer's other remedies hereunder and under the Participating Lender Agreement, including the remedy of repurchase of the Mortgage Loan as provided herein and in Section 7 of the Participating Lender Agreement. The Servicer shall, upon receipt of such originals and certified copies, if applicable, file copies of same with the related Mortgage File, subject to the requirements under the Custodial Agreement.

(f) The Purchase of Mortgage Loans hereunder shall take place on each Purchase Date, pursuant to the Purchase Dates established by the Servicer. Only Mortgage Loans submitted in accordance with this Section 4.08 and which conform to the requirements of this Agreement will be Purchased by the Servicer on any Purchase Date. All amounts collected by the Participant representing escrow payments for insurance and taxes with respect to a Mortgage Loan shall be held in escrow and remitted to the Servicer not later than the Purchase Date or as directed by the Servicer. All notices to FHA, VA, RD, the PMI Insurer, Fannie Mae or Freddie Mac which are required to be given under applicable FHA, VA, RD, PMI Insurer, Fannie Mae or Freddie Mac requirements shall be given by the Participant prior to Purchase. To enable the Participant to comply with the rules and regulations of "RESPA," the Servicer may deduct from the Purchase price paid the Participant for the Mortgage Loan the Mortgage payment which will be due the first day of the month immediately following the Purchase Date. In the event that Participant receives any payment on a Mortgage Loan after the Purchase of such Mortgage Loan (except for a payment for which a deduction was made from the Purchase price of the Mortgage

Loan), the Participant forthwith shall forward such payment (properly endorsed to the Servicer, if the payment was payable to Participant) to the Servicer.

(g) Purchase dates are anticipated to occur daily (unless otherwise provided for in the applicable Lender's Guide. The 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.

(h) The Servicer shall not be obligated to Purchase any Mortgage Loan unless the documents described in the Lender's Guide with respect to such Mortgage File for such Mortgage Loan has been received by the Servicer for review not later than thirty (30) days following the Closing date, or such later date as may be approved by the Servicer for good cause.

(i) Each Mortgage shall bear the legend set forth on the face thereof "This Mortgage is exempt from documentary stamp tax and intangible tax imposed by Chapters 199 and 201, Florida Statutes."

(j) Participant shall deliver the original executed Mortgage, Mortgage Note and Assignment of Mortgage to the Servicer in the following manner: (i) the Mortgage Note shall bear the endorsement set forth on the back thereof "Payable, without recourse, to the order of" the Servicer and be executed by a duly authorized officer of the Participant; (ii) the related Mortgage, together with the Assignment of Mortgage, or a true and correct copy of such executed Mortgage and Assignment of Mortgage, and assurance that the originals thereof have been delivered for recording in the office of the Clerk of the applicable County sufficient to constitute the Servicer's ownership of the Mortgage and Mortgage Note. Participant shall further perform any other action or deed as the 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 Servicer as is necessary to perfect the Servicer's interest in each such Mortgage Note and related Mortgage. The delivery of the Mortgage Note and related Mortgage and Assignment of Mortgage shall be accompanied with or shall reflect that all applicable documentary stamp and other excise taxes, all intangible taxes and all recording fees have been paid, except for those for which an exemption exists.

(k) With respect to FHA/VA/RD Loans, the Custodian will retain (i) the original Mortgage Note, (ii) the original recorded Mortgage, together with all applicable riders; (iii) all recorded intervening assignments of Mortgage, (iv) the Mortgagee title insurance policy, and (v) the applicable FHA Insurance Certificate or VA or RD Guaranty Certificate. With respect to Conventional Mortgage Loans, the Custodian will retain the original Mortgage Note. Copies of all documents retained by the Custodian and originals of all other documents comprising a Mortgage File will be retained by Servicer.

(l) Upon request of the Administrator, the Participant shall submit to Administrator the Mortgagor's and Seller/Builder Affidavits in an updated form in connection with the Purchase.

Section 4.09 Purchase of Mortgage Loans. For each Mortgage Loan originated by Participant which is in compliance with all the terms and conditions of this Agreement, for which

the Compliance File and the Mortgage File and other documents have been prepared and presented to the Administrator and the Servicer in the form required or permitted hereby, for which funds are available from the Certificate Purchaser or in the Acquisition Fund held under a Series Indenture for the purchase of GNMA Certificates, Fannie Mae Securities and/or Freddie Mac Securities, as applicable, and for which the Administrator certifies that all of the other conditions of this Agreement have been fulfilled, the Servicer shall pay to Participant, under the terms and conditions specified herein and in the applicable Administrator's Guidelines, on each Purchase Date for each Mortgage Loan a Purchase price equal to the Mortgage Loan Purchase Price, as established in the related Invitation and in the applicable Administrator's Guidelines.

All Mortgagor payments on account of principal, interest, taxes or insurance collected by Participant with respect to a Mortgage Loan prior to the Purchase for such Mortgage Loan shall be applied by Participant to the Mortgagor's account.

Participant acknowledges that, as a condition of the Purchase of the Mortgage Loan by Servicer, (i) the Mortgage Loan shall be (A) current in payments of principal and interest, taxes and insurance, if required, and (B) in compliance with the requirements of Fannie Mae, Freddie Mac, RD, FHA or VA, as applicable, the GNMA Guide, the Fannie Mae Guides or Freddie Mac Guides, as applicable, the PMI Insurer, the Lender's Guide and this Agreement, and (ii) if the Mortgage Loan has a related Second Mortgage Loan, the related Second Mortgage Loan must meet all requirements of this Origination Agreement and the applicable Lender's Guide.

The Servicer shall not be obligated to Purchase any Mortgage Loan from a Participant if the Participant is not performing its obligations and duties under this Agreement, the Lender's Guide, the GNMA Guide, the Fannie Mae Guides or the Freddie Mac Guides.

Notwithstanding any other provision of this Agreement, the Servicer may suspend its Purchase of Mortgage Loans, and the Participants may suspend their efforts to originate and close Mortgage Loans, if the Issuer or the Trustee on behalf of the Issuer at any time fails to purchase any GNMA Certificate, Fannie Mae Security or Freddie Mac Security as provided for in this Agreement. The Servicer and the Participant will have no responsibility to the Issuer, the Trustee, the Administrator, the Bondholders or any other person for failure to originate or deliver Mortgage Loans or GNMA Certificates, Fannie Mae Securities or Freddie Mac Securities during the period of any suspension of activities authorized by this paragraph.

Section 4.10 Maintenance of Compliance Files and Mortgage Files. Servicer shall, at its own expense, maintain the Mortgage Files in accordance with Section 4.08(k). Each Mortgage File shall be maintained by the Servicer in accordance with the GNMA Guide, the Fannie Mae Guides, or Freddie Mac Guides, as appropriate. The Mortgage Files shall be kept at the Servicer's regular place of business or at its principal place of business and shall be available for inspection during Servicer's regular business hours by the Issuer or the Trustee on behalf of the Issuer and their respective employees and agents. Administrator shall maintain Compliance Files at an off-site facility in accordance with the provisions of its full disaster recovery program for a period of three years from the end of any Certificate Acquisition Period or the end of the applicable Program period. Participant shall maintain all Mortgage Loan application materials, documents and memoranda for three years after Closing of the Mortgage Loan.

Section 4.11 Defective Documents and Non-Qualifying Mortgage Loans; Repurchase of Mortgage Loans by Participant.

(a) A “Defect” will exist with respect to a Mortgage Loan and any related Second Mortgage Loan if:

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

(2) Any representation or warranty of the Participant in the sole judgment of the Administrator or the Servicer, is untrue or incorrect in any material respect;

(3) The Custodian fails to certify a pool;

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

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

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

If, following the Purchase of any Mortgage Loan, and notwithstanding the review of the related Compliance File by the Administrator and the Mortgage File by the Servicer, a Defect is discovered with respect to the Mortgage Loan, then the Participant who sold the Mortgage Loan to the 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 Participant who sold the Mortgage Loan to the Servicer shall, not later than 30 days after expiration of the cure period or, if the Defect is not susceptible to cure, upon receipt of the notice to it of the Defect, repurchase the Mortgage Loan from the 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 Participant shall indemnify and hold harmless the Issuer, the Trustee, the Administrator and the 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 Servicer by the Participant. For the purpose of this Section 4.11, the falsity of a representation by a Mortgagor respecting some fact or facts that (i) the Participant 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 Participant 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 any 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 Participant to the Servicer, with written notice from the Participant to the Issuer and the Trustee, if any, 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 Participant, the Servicer shall assign and deliver the related Mortgage File to the Participant without recourse. The Participant hereby waives any statutes of limitations or other laws that might otherwise be raised in defense to any repurchase obligation hereunder. If a Participant fails to repurchase a defective Mortgage Loan at the time and in the manner provided in this Section, the Servicer shall terminate all of the Participant'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 Servicer, the Administrator, the Issuer or the Participant 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, to the extent such Mortgage Loan was funded or expected to be funded with proceeds of a tax-exempt Series of Bonds, as set forth herein or other provisions of this Agreement and such Mortgage Loan has not been repurchased, such party shall notify the Servicer, whereupon the 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 Servicer shall then pursue foreclosure.

(c) Notwithstanding anything in this Agreement to the contrary, a Participant will be required to repurchase a Mortgage Loan originated by it, for a price equal to the Repurchase Price pursuant to and under the circumstances described in the Participating Lender Agreement.

The Servicer's exercise of its right to have the Participant repurchase any Mortgage Loan hereunder and under the Participating Lender Agreement shall be in addition to, and not in lieu of, any other rights or remedies which the Servicer may have against the Participant hereunder, under the Participating Lender Agreement or under applicable law.

In addition, if for any reason the Issuer or the Trustee on behalf of the Issuer fails to purchase a GNMA Certificate, Fannie Mae Security or Freddie Mac Security, as provided for in this Agreement, the Participants that originated Mortgage Loans represented by such GNMA Certificate, Fannie Mae Security or Freddie Mac Security shall be obligated to purchase from the Servicer proportionate interests in such GNMA Certificate, Fannie Mae Security or Freddie Mac Security, with each such Participant's proportionate interest to equal the outstanding principal amount of the Mortgage Loans represented by such GNMA Certificate, Fannie Mae Security or

Freddie Mac Security that were originated by it divided by the outstanding principal amount of all Mortgage Loans represented by such GNMA Certificate, Fannie Mae Security or Freddie Mac Security, and the purchase price to be paid by each Participant for its proportionate interest in the GNMA Certificate, Fannie Mae Security or Freddie Mac Security to be the Repurchase Price calculated based upon the Mortgage Loans represented by such GNMA Certificate, Fannie Mae Security or Freddie Mac Security that were originated by it. If one or more Participants are obligated to purchase a GNMA Certificate, Fannie Mae Security or Freddie Mac Security pursuant to the preceding sentence, the Servicer will repurchase such GNMA Certificate, Fannie Mae Security or Freddie Mac Security for resale in accordance with this Agreement provided that the Servicer is able to simultaneously sell such GNMA Certificate, Fannie Mae Security or Freddie Mac Security to the Issuer or the Trustee on behalf of the Issuer and the Servicer receives assurance that funds will be available to pay the purchase price upon purchase of such GNMA Certificate, Fannie Mae Security or Freddie Mac Security.

(d) In the event Participant is required to purchase any Mortgage Loan for which a related Second Mortgage Loan or Assistance Grant exists, Participant will be required to purchase the related Second Mortgage Loan at a price equal to the principal balance thereof then outstanding or, in the case of an Assistance Grant, refund the amount received.

(e) EACH PARTICIPANT CLOSES MORTGAGE LOANS WITH THE RISK THAT IT MAY HAVE TO REPURCHASE SUCH MORTGAGE LOANS OR AN INTEREST IN RELATED GNMA CERTIFICATE, FANNIE MAE SECURITIES OR FREDDIE MAC SECURITIES AND ANY RELATED SECOND MORTGAGE LOANS FROM THE SERVICER AS PROVIDED IN THIS SECTION 4.11.

Section 4.12 Representations, Warranties and Covenants of Participant Concerning Mortgage Loans. Participant hereby represents and warrants to, and covenants with, the Issuer, the Trustee, the Administrator and the Servicer as to each Mortgage Loan delivered for purchase and with respect to any related Second Mortgage Loan, as applicable, that:

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

(b) Each Mortgage Loan will be made by a Participant at the price set forth in the applicable Administrator's Guidelines 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 Participant,

the underwriting standards set forth in the GNMA Guide, the Fannie Mae Guides and/or the Freddie Mac Guides and the requirements established hereby and the Lender's Guide, subject to acceptance of Fannie Mae, Freddie Mac, 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 an escrow account to provide for the timely payment of taxes, insurance and similar payments), will provide for the final payment of the balance of all principal and interest 30 years from the date of first payment, will be made to an Eligible Person or Family, as Mortgagor, and will not be assumable except as provided in Section 4.16;

(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 related Invitation and applicable Administrator's Guidelines;

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

(e) As of the Purchase Date, each Mortgage Loan will be secured by the Mortgage as required under the GNMA Guide, Fannie Mae Guides or Freddie Mac Guides and the requirements of FHA, VA, RD and any PMI Insurer, as applicable. Each Mortgage 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, (c) rights-of-way and easements for roads, streets, utilities and other similar installations, whether or not of record, provided that such rights-of-way and easements are either of the kind (including location, area occupied, and nature of the installation thereon) acceptable to commercial lending institutions generally, or have been taken into account and reflected in the appraisal made (and correspondingly in the loan amount) in connection with the origination of the Mortgage Loan, and (d) other defects, irregularities, encumbrances, easements, mineral reservations and conveyances and clouds on title that are acceptable to commercial lending institutions generally; provided, however, that none of the foregoing liens or encumbrances shall be permitted if in the opinion of recognized Florida counsel acceptable to the Servicer such lien(s) or encumbrance(s) individually or in the aggregate materially impairs the security of the Mortgage;

(f) As of the Purchase Date, Participant 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 Participant 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 Participant 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, Fannie Mae Guides, or Freddie Mac 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 Participant prior to the Purchase Date acceptable to GNMA, Fannie Mae, or Freddie Mac, as applicable, pursuant to the GNMA Guide, Fannie Mae Guides, or Freddie Mac Guides, as applicable, and, if applicable, to FHA, VA, RD and 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, Fannie Mae Guides, or Freddie Mac Guides, as applicable, and FHA, VA, RD and any PMI Insurer, as applicable;

(j) As of the Purchase Date, Participant 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, Fannie Mae Guides, or Freddie Mac Guides, as applicable, and, if applicable, FHA, VA, RD and 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 applicable 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 date of Purchase, as to each Mortgage, there shall be no mechanics', laborers' or materialmen's liens or claims therefore 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 Participant, 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 Participant, 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, Participant 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) Participant 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, Participant 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 Participant has no knowledge of any circumstances which would cause the invalidation or cancellation of the FHA Insurance, VA 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 Program;

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

(w) To the best knowledge of Participant, after the exercise of due diligence, each Mortgage Loan shall be in compliance with the requirements of Section 143 of the Code and the 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 and the Fannie Mae Guides or Freddie Mac Guides, as applicable, to the extent Private Mortgage Guaranty Insurance for the Mortgage Loan is required by the Fannie Mae Guides or Freddie Mac Guides, as applicable.

(y) Each Mortgage Loan is of acceptable quality and is eligible for sale to GNMA, Freddie Mac or Fannie Mae whose Mortgage Loan eligibility specifications are outlined in the applicable guides and whose decision regarding acceptable quality and eligibility is determinative.

(z) Each Second Mortgage Loan or Assistance Grant will be made in accordance with the terms of the applicable Lender's Guide and will meet all requirements thereof.

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 Participant to the Servicer and that the representations, warranties and covenants shall inure to the benefit of the transferees and assigns of the Administrator and Servicer which may include GNMA, Fannie Mae, Freddie Mac, the Trustee, the Issuer and any Bondholders. Upon discovery by Participant, the Trustee, GNMA, Fannie Mae, Freddie Mac, Administrator, Servicer or 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, Participant shall cure such breach in the manner set forth in Section 4.11 hereof. It is understood and agreed that the obligation of Participant to repurchase the Mortgage Loan as to which a breach has occurred and is continuing shall constitute the sole remedy respecting such breach available to the Servicer, the Administrator, the Issuer and the Trustee where Participant has acted in good faith, except for the other rights expressly provided in this Agreement.

Section 4.13 Prohibition of Discrimination. Participant 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 Participant may refuse to accept applications for Mortgage Loans to refinance construction loans if Participant desires and intends to make no such loans under this Agreement.

No Participant 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 Conditional Application Start

Date. In accepting, evaluating and acting upon such applications, Participant shall comply, if applicable, with the Federal Equal Credit Opportunity Act and Regulation B promulgated thereunder.

Section 4.14 Disclosure to Borrowers.

Unless otherwise provided in the applicable Administrator's Guidelines, a Notice to Buyers – Notice of Potential Recapture (or similarly named instrument) (the "Notice to Buyers"), in form and substance more fully set forth in the applicable Administrator's Guidelines, must be executed by the Mortgagor upon application of a Mortgage Loan. A copy of the executed Notice to Buyers must accompany the application for insurance or guaranty and be included in the Mortgage File.

Unless otherwise provided in the applicable Administrator's Guidelines, for each Mortgage Loan closed, each Mortgagor shall, at the time of the Closing, be provided with a Final Notice to Borrower of Maximum Recapture Tax on Disposition of Single Family Residence (or similarly named instrument) ("Recapture Statement"), completed by the Participant and acknowledged by the Mortgagor(s) in form and substance more fully set forth in the Administrator's Guidelines. The Recapture Notice shall inform the Mortgagor of the maximum recapture tax for federal income tax purposes on the sale or other disposition of the Single Family Residence and contain the information necessary for the Mortgagor to determine the amount of any such recapture tax. The Administrator shall mail such Recapture Statement to the Mortgagor by United States mail to the address of the Single Family Residence financed by the Mortgage Loan. In the event the Recapture Statement is returned as undeliverable, the Administrator will notify the Issuer immediately upon receipt of such undelivered mail.

The Notice to Buyers and Recapture Statement may be revised only upon receipt by the Issuer and/or Administrator of an opinion of Bond Counsel that such revision will not adversely impact the tax exempt status of any related Series of Bonds and only with the prior written approval of the Servicer. The above requirements shall not apply if the Issuer and the Administrator have received an opinion of Bond Counsel indicating that the federal income tax status of the interest on any related Series of Bonds will not be adversely affected. The Issuer will notify each Participant, the Administrator and the Trustee that it has received such opinion of Bond Counsel..

Section 4.15 Requirement of Standard Hazard Insurance and Flood Insurance.

The Single Family Residence securing any Mortgage Loan must be covered by the Standard Hazard Insurance meeting the requirements as then described in the applicable Administrator's Guidelines:

Section 4.16 Assumption Restrictions. In any case in which a Single Family Residence subject to a Mortgage has been or is about to be conveyed by the Mortgagor and the purchaser desires to assume all the rights and obligations of the Mortgagor under the Mortgage Loan, Servicer may release (subject to any required GNMA, Fannie Mae, Freddie Mac, PMI Insurer, FHA, VA or RD approval, as applicable, and in accordance with applicable GNMA,

Fannie Mae, Freddie Mac, 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 in the applicable Participating County (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 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, Freddie Mac, FHA, RD and VA, the Program Documents, the Lender's Guide, the Fannie Mae Guides, the Freddie Mac Guides and the GNMA Guide, as applicable, (vii) the Servicer provides to the assuming mortgagor notice of the recapture provisions of the Code, as provided in Section 4.14 hereof with respect to loan originations, (viii) except for residences in a Targeted Area and Disaster Area Loans, the purchaser is a First Time Homebuyer, (ix) the related Second Note, if any, is paid in full in accordance with its terms and (x) it does not contain terms which Servicer has been advised will affect the exclusion from gross income (for federal income tax purposes) of interest on the Bonds. In connection with any such assumption agreement, the interest rate of the related Mortgage Note shall not be changed; however, the Servicer may charge in connection with each assumption an assumption fee not to exceed the maximum amount permitted by Fannie Mae, Freddie Mac, FHA, RD or VA, as applicable, plus, to the extent permitted by law, and Fannie Mae, Freddie Mac, FHA, RD or VA, as applicable, the reasonable and customary out-of-pocket costs paid or incurred by Servicer.

Section 4.17 Participant to Transfer Mortgage Loans and Servicing Thereof to Servicer. Prior to the Purchase Date, Participant shall assign and transfer each Mortgage Loan and the servicing thereof to the 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 Servicer will perform all servicing functions relating to each Mortgage Loan. After the issuance date of each Pool, Servicer will be governed by the GNMA Guide, Fannie Mae Guides or Freddie Mac Guides, as applicable, and the MBS Agreement and Pool Purchase Contract. Any related Second Mortgage Loans shall be originated and serviced in accordance with Section 4.21 hereof, the applicable Administrator's Guidelines and the Servicing Agreement.

Section 4.18 Reporting. The Participant shall register each Mortgage Loan with the Administrator at the time of application by submitting information concerning the Mortgage Loan via the Lender Portal. Any changes to the application such as cancellations or Closing

must be communicated to the Administrator in writing or via electronic communication. The Administrator will track (i) the number and principal amount of Mortgage Loans purchased from such Participant by the Servicer, (ii) the number and principal amount of Mortgage Loans originated by such Participant for which a Closing has been held, (iii) the number and principal amount of outstanding Commitments issued by such Participant for Mortgage Loans for which no Closing has been held and (iv) the number and principal amount of applications for Mortgage Loans received by such Participant for which no Commitments have been issued. The Participant shall pay the Administrator a delinquent fee, if any fee is required under the terms of the Program Administration Agreement, for each loan that is not registered or updated. The Administrator shall maintain a Pipeline Report available to the Participant via the Lender Portal or via electronic communication. The Participant shall notify the Administrator immediately should there be any discrepancies with the Pipeline Report.

Section 4.19 Purchase of GNMA Certificates, Fannie Mae Securities and Freddie Mac Securities. Following the Servicer's periodic purchase of Mortgage Loans pursuant to this Agreement, in amounts sufficient to create a Pool, the Servicer shall 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, Fannie Mae Guides or Freddie Mac Guides, as applicable, provided that the Servicer may maintain an inventory of FHA Insured and VA-Guaranteed, and RD Guaranteed Mortgage Loans sufficient to meet the minimum Pool size for a GNMA Certificate and an inventory of Conventional Loans sufficient to meet the minimum Pool size for a Fannie Mae Security or Freddie Mac Security. Following the Custodian's satisfactory review of the applicable documents of the Pool Documentation Package, the Custodian will give initial certification to GNMA, Fannie Mae or Freddie Mac, as applicable, and the Servicer shall cause a GNMA Certificate, Fannie Mae Security or Freddie Mac Security 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 shall sell and deliver GNMA Certificates, Fannie Mae Securities and Freddie Mac Securities to the Certificate Purchaser on a Business Day selected by the Servicer and as more fully described in the Administrator's Guidelines. With respect to each Series of Bonds, the Servicer will give the Trustee, the Issuer or the Certificate Purchaser if other than the Trustee or Issuer not less than seven (7) Business Days prior notice of the date a GNMA Certificate, Fannie Mae Security or Freddie Mac Security will be delivered for purchase. At the time of such notice, the Servicer shall certify the separate amounts of the principal Mortgage Loan balances of all Mortgage Loans within each respective Participating County included in the Pool for such GNMA Certificate, Fannie Mae Security or Freddie Mac Security for Single Family Residences in each such Participating County.

The Servicer shall issue GNMA Certificates, Fannie Mae Securities and Freddie Mac Securities in such amounts as it determines in its sole discretion, subject to the requirements of GNMA, Fannie Mae and Freddie Mac, respectively.

The Certificate Purchaser shall purchase such GNMA Certificate, Fannie Mae Security or Freddie Mac Security from the Servicer on a Certificate Purchase Date as set forth in the notice of such purchase from the Servicer at a price equal to applicable MBS Purchase Percentage of the unpaid principal balance of the Mortgage Loans comprising the Pool backing such GNMA

Certificate, Fannie Mae Security and Freddie Mac Security, respectively, plus accrued interest thereon.

The obligation to purchase such GNMA Certificate, Fannie Mae Security or Freddie Mac Security is conditioned upon the Mortgage Loans represented by the Pool Documentation Package being in conformity with all requirements of the Program Documents. Neither the Trustee nor the Issuer or its designee has any obligation to independently determine whether such Mortgage Loans are eligible and meet the 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 certification from the Administrator, which certification may rely on guidelines prepared by the Issuer and delivered to the Administrator for that purpose.

Section 4.20 Termination of Origination Period by Servicer for Failure of Certificate Purchaser to Purchase GNMA Certificates, Fannie Mae Securities or Freddie Mac Securities.

The Participants acknowledge that the Issuer or Servicer may terminate any Origination Period at any time upon written notice to Participants if the Trustee, the Issuer or the Certificate Purchaser if other than the Trustee or Issuer, fails to purchase GNMA Certificates, Freddie Mac Securities or Fannie Mae Securities in accordance with the Servicing Agreement. The Servicer will not be required to purchase any Mortgage Loans which have not been purchased by the Servicer prior to the date of a notice delivered pursuant to this Section 4.20.

Section 4.21 Second Mortgage Program.

(a) (1) Participant hereby acknowledges that the Issuer may, with respect to a Program, establish Second Mortgage Programs in one or more of the Participating Counties designated by the Issuer, whereby it makes its own funds or funds under the respective Series of Bonds available to originate Second Mortgage Loans to assist qualifying applicants with down payments and closing costs associated with Mortgage Loans originated pursuant to this Agreement. Any related Second Mortgage Program(s) offered in connection with a Program will be more fully described in the applicable Administrator's Guidelines. Moneys available under Second Mortgage Programs must be used on a first-come, first-served basis to applicants purchasing a Single Family Residence located in such Participating Counties subject to the terms, conditions and restrictions of the applicable Second Mortgage Program, all as specified and to the extent described in the applicable Administrator's Guidelines. Participants will originate any Second Mortgage Loans in the name of the Issuer and will be reimbursed by the Servicer or the Issuer upon the Purchase of a Mortgage Loan as described in the applicable Lender's Guide.

(2) The System will be designed to accommodate the aspect of a Program relating to Second Mortgages and will allow for the tracking of funds set aside for such purpose, if any. In the event a Second Mortgage Program is made available by the Issuer, Participant will be provided, at the filing of a Mortgage Loan, the option of filing for a Second Mortgage Loan. The Mortgage File will be checked for compliance as to the applicable Second Mortgage Program restrictions. Second Mortgage Program Allocations will be made available on the

Lender Portals. All information required by the Issuer in connection with a Second Mortgage Program will be provided to the Administrator as received by the Participant.

Once Participant has completed the application review process and has determined that a homebuyer qualifies for a Mortgage Loan under the Program, and the Mortgagor wishes to participate in any related Second Mortgage Program, the Participant shall request a fund reservation through the Lender Portal.

Participants must advise all eligible borrowers of the availability of any related Second Mortgage Program(s) in the applicable Participating Counties and shall not refuse to originate an otherwise qualified Mortgage Loan on the basis of the applicant's participation in the respective Second Mortgage Program.

(3) For each Second Mortgage Loan being serviced by the Servicer, in the event the Mortgagor's payment is insufficient to pay the total amount due for both the Mortgage Loan and the Second Mortgage Loan, the Servicer will determine the application of the payment consistent with the GNMA Guide, the Fannie Mae Guides or the Freddie Mac Guides. For each Second Mortgage Loan being serviced by the Servicer, any partial payment may be applied first to pay all amounts due under the Mortgage Loan, including, but not limited to, principal, interest and penalties under the Mortgage Loan and any remaining amount may be then applied to the repayment of the Second Mortgage Loan or the Servicer may reject the partial payment or take such other action permitted by the Servicing Agreement.

(b) Any Local Authority may establish a Second Mortgage Program for assistance to Mortgagors in the purchase of Single Family Residences located within its County, on such terms as it may establish; provided, however, that either (i) Second Mortgages under such program shall not accrue interest while the Mortgage Loan for such Single Family Residence is outstanding or (ii) interest accrues on such Second Mortgage Loan at a rate not exceeding the Mortgage Rate. Any such program shall conform to the requirements of Section 159, Florida Statutes, to the extent the same may be applicable to such Local Authority, and (ii) the requirements of FHA, VA, RD, Fannie Mae, Freddie Mac and GNMA, including the Pool Purchase Contract.

(c) Unless otherwise provided in the Lender's Guide, neither the Trustee, the Servicer nor the Administrator shall have any responsibility under any related Second Mortgage Program.

(d) Participants will be required to deliver the required documentation for the Second Mortgage Loan as specified in the Lender's Guide. In the event a Second Mortgage Loan is required to be repurchased pursuant to Section 4.11 or the related Mortgage Loan is not eligible for Purchase by the Servicer, the Servicer and the Issuer will execute and deliver all necessary documentation to transfer ownership of the Second Mortgage to Participant.

(e) The Participant will not be reimbursed for a Second Mortgage Loan unless the related Mortgage Loan is Purchased by the Servicer.

Section 4.22 Assistance Grants.

Participant hereby acknowledges that the Issuer may, with respect to a Program, establish Assistance Grants in one or more of the Participating Counties designated by the Issuer, whereby it makes its funds available for down payment and/or closing costs assistance to qualifying applicants associated with Mortgage Loans originated pursuant to this Agreement, as more fully described in the related Invitation and in the applicable Administrator's Guidelines. The amount and terms of Assistance Grants may change at any time pursuant to Authority Directives. Moneys available for Assistance Grants must be used on a first-come, first-served basis to applicants purchasing a Single Family Residence located in such Participating Counties subject to the terms, conditions and restrictions specified in the applicable Administrator's Guidelines. Participants will be reimbursed for advances of Assistance Grants by the Servicer upon the Purchase of a Mortgage Loan as described in the applicable Lender's Guide.

ARTICLE V
PARTICIPANT

Section 5.01 Liability of Participant. Participant shall be liable under this Origination Agreement only to the extent that obligations are explicitly imposed upon and undertaken by Participant.

Section 5.02 Limitation on Liability of Directors, Officers, Employees and Agents of Participant. No director, officer, employee or agent of Participant shall be under any liability to the Issuer, the Trustee or the Bondholders for any action taken or for refraining from the taking of any action in good faith pursuant to this Origination Agreement, or for errors in judgment.

Section 5.03 Participant Not to Resign. Upon receipt of a Program Allocation with respect to a Series of Bonds, except with respect to the applicability of Section 2.02(b) hereof, Participant shall not resign from the obligations and duties hereby imposed on it with respect to a Program except upon determination that its duties hereunder are no longer permissible under applicable law or regulation. Any such determination permitting the resignation of Participant shall be made on the basis of evidence satisfactory to the Issuer, the Administrator and the Servicer. Notwithstanding the foregoing, nothing contained herein shall require the Participant to execute an Invitation for any Program nor shall anything contained herein require the Issuer to approve a Participant for participation in a Program.

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

Section 5.04 Maintenance of Errors and Omissions Policy and Fidelity Bond. Each Participant shall obtain and maintain an errors and omissions policy and fidelity bond, or self-insurance coverage in form and, in amounts required by FHA and VA, GNMA, RD, Fannie Mae or Freddie Mac for parties acting in their capacity under the Program.

Section 5.05 Participant Approval and Management. The Servicer shall review each Participant's application to determine the Participant's eligibility to participate in a Program. Such review will be based upon the eligibility standards adopted by the Servicer. The Servicer shall also conduct an annual recertification, which will include, but not be limited to, a review of the Participant's financial information to assure that the Participant continues to be qualified to participate in a Program.

Each Participant will be required to enter into a Participating Lender Agreement which shall govern the sale and transfer of a Mortgage Loan by the Participant to the Servicer along with the duties, obligations, representations, warranties, and covenants of the Participant to the Servicer ("Servicer Requirements"). The Participating Lender Agreement shall supersede this Agreement with regard to the Servicer Requirements.

The Servicer reserves the right to modify the eligibility standards at any time during this contract period. Should the modification of terms occur, all parties bound by this Agreement will be notified and the new eligibility standards will become effective upon the date of said notification. Any new Participant applications received or existing Participant recertification performed on or after that notification date will be subject to the newly published eligibility standards.

ARTICLE VI

CAUSES PERMITTING TERMINATION

Section 6.01 Causes of Termination Defined; Remedies. The Servicer shall have authority to suspend or terminate a Participant 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 Participant hereunder upon the happening of any one or more of the following events:

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

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

(c) Participant 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 Participant or relating to all or substantially all of its property.

(d) Participant 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 Administrator or the Servicer shall have actual knowledge that any representation of or warranty by Participant to the Servicer, the Issuer, the 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 Participant originating such Mortgage Loan with respect to Participant's approvals as either an FHA, RD or VA approved mortgagee, a GNMA issuer-servicer or a Fannie Mae or Freddie Mac approved lender or a material adverse change in the Participant's financial condition.

(g) Participant shall fail to perform or observe any warrant, covenant, representation, agreement or condition on its part contained herein or under any agreement for a prior program offered by the Issuer and the continuance thereof for a period of thirty (30) days after written notice thereof to the Participant by the Issuer, the Servicer, the Administrator or the Trustee.

Prior to any action to suspend or terminate a Participant, the Servicer will advise the Issuer, by electronic message, to the anticipated action by the Servicer. In no event will this notification be considered a request for approval to take action, but rather a notice to alert the Issuer of the Participant's impending suspension or termination.

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 Issuer or 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. The Participant's obligations hereunder will survive its termination with respect to Mortgage Loans previously originated by it.

Section 6.03 Agreement to Pay Attorneys' Fees and Expenses. In the event Participant should fail to perform its obligations under any of the provisions of this Origination Agreement and the Issuer, the Trustee, the Administrator or the Servicer should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of Participant herein contained, Participant agrees that to the extent permitted by law it will pay or reimburse the Issuer, the Trustee, the Administrator or the Servicer on demand the reasonable fee of attorneys, paralegals and such other incurred expenses.

Section 6.04 Liability of the Servicer, Administrator, Issuer or Trustee. The Servicer, Administrator, Issuer or Trustee shall not be liable for the appointment or removal of a successor Participant 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 Administrator, the Servicer nor the Trustee shall be liable in any respect for the appointment or removal of a successor Participant by the Administrator, the Servicer or the Issuer or owe any duty with respect to such appointment or removal other than as otherwise provided herein.

Section 6.05 Servicer Termination. The Servicer with respect to a Program may be removed only as provided in the Servicing Agreement, the GNMA Guide as modified by the MBS Agreement, the Fannie Mae Guides and the Freddie Mac Guides.

Section 6.06 Administrator Termination. The Administrator with respect to a Program may be removed only as provided in the Program Administration Agreement.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.01 Amendments, Changes and Modifications. Subsequent to the issuance of a Series of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Agreement, including the Lender's Guide applicable to the Program funded from such Bonds, may be amended, changed, modified, altered or terminated only as provided in the Indenture. In any case, this Agreement, including any applicable Lender's Guide, may be amended, changed, modified, altered or terminated only with the written consent of the Issuer, the Trustee, the Administrator and the Servicer upon receipt of an Authority Directive by such parties. The consent of the Participants shall not be necessary for amendments needed to conform this Agreement or the applicable Administrator's Guidelines to the terms and conditions of a Program or as established by the Issuer from time to time, and any such amendments approved by the Issuer, the Trustee, the Administrator and the Servicer shall be binding upon each Participant.

Section 7.02 Recordation of this Agreement. This Agreement, or a memorandum of any portion or portions hereof executed by the Issuer and Participant, is subject to recordation among the Land Records of the Participating Counties, and in any other appropriate public office or elsewhere if directed by the Issuer.

Section 7.03 Limitation on Rights of Bondholders. No Bondholder shall have any right to institute a suit with respect to this Agreement except as provided in the Indenture and for the equal benefit of all Bondholders.

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 electronic communication 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 Administrator or the Servicer shall also be given to the others. The Issuer, the Participant, the Trustee, the Administrator or the 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 Administrator, the Servicer and Participant 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 of execution and delivery hereof by the parties hereto and shall, with respect to each Series of Bonds, continue in effect so long as any Bonds are outstanding or, prior to the issuance of any Bonds, so long as the Servicer shall own any Mortgage Loans purchased hereunder, or any Mortgage Loans purchased hereunder continue to back GNMA Certificates, Fannie Mae Securities, or Freddie Mac Securities, whichever is latest.

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 Administrator, the Servicer, GNMA, Fannie Mae, Freddie Mac and Participant.

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 Participant, the Bondholders any Participating County or any other persons have the right to require or compel the exercise of the ad valorem taxing power of Escambia County or any other political subdivision of the State for the payment, obligations or other liability due hereunder and, with respect to each Series of Bonds, in no event shall such payment be payable out of any funds or properties other than amounts held under the Series Indenture, if any, which are legally available for such purposes, junior and subordinate to the claim thereon in favor of the Bondholders to secure payment in full of the principal, premiums, if any, and interest on the Bonds.

ARTICLE VIII

LIMITED RESPONSIBILITIES

Section 8.01 Trustee's Limited Responsibilities. The parties hereto acknowledge that the Issuer has entered into the Servicing Agreement and this Agreement with the Servicer which imposes certain responsibilities on the Servicer. The Trustee has not assumed and expressly disclaims responsibility for performance of the Servicer's responsibilities under the Servicing Agreement and this Agreement, except as specifically provided in a Series Indenture, Servicing Agreement and this Agreement concerning termination of the Servicer's rights under the Servicing Agreement and this Agreement.

The parties hereto acknowledge that the Issuer has entered into the Program Administration Agreement and this Agreement with the Administrator which imposes certain responsibilities on the Administrator, including review as to whether or not a mortgage loan submitted for purchase by the Participant is a Mortgage Loan as defined herein. The Trustee has not assumed and expressly disclaims responsibility for performance of the Administrator's responsibilities under the Program 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 a Series Indenture, if any, Program Administration Agreement and this Agreement concerning termination of the Administrator's rights under the Program Administration Agreement and this Agreement.

Section 8.02 Servicer's Limited Responsibility. The Servicer shall not be responsible for compliance of the Program or the Program Documents with the Code or the Act or the requirements of VA, FHA, RD, Fannie Mae, Freddie Mac or GNMA. The Servicer may rely in all matters on the authenticity and due authorization and execution, and the veracity of the information contained in, all Program Documents and other documents, agreements, records and papers delivered to it, and the Servicer will not be required to conduct any independent verification of the validity of any such material or the accuracy of the information contained therein. The Servicer will have no responsibility except as specifically provided in this Agreement and the other Program Documents, and no obligations on the part of the Servicer may be implied from this Agreement or any other Program Document.

Section 8.03 Administrator's Limited Responsibility. The Administrator shall not be responsible for compliance of the Program or the Program Documents with the Code or the Act or the requirements of VA, FHA, RD, Fannie Mae, Freddie Mac or GNMA. The Administrator may rely in all matters on the authenticity and due authorization and execution, and the veracity of the information contained in, all Program Documents and other documents, agreements, records and papers delivered to it, and the Administrator will not be required to conduct any independent verification of the validity of any such material or the accuracy of the information contained therein. The Administrator will have no responsibility except as specifically provided in this Agreement and the other Program Documents, and no obligations on the part of the Administrator may be implied from this Agreement or any other Program Document.

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

Participant

Attest:

By: _____
Its:

By: _____
Its:

**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

(SEAL)

Attest:

By: _____
Chairman

Secretary

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: _____
Vice President

U.S. BANK NATIONAL ASSOCIATION
as Servicer

By: _____
Vice President

**HOUSING AND DEVELOPMENT
SERVICES, INC. D/B/A
EHOUSINGPLUS**
as Administrator

By: _____
Its: