

BMO Draft #2
#3690.07
08/25/06

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY

AND

US BANK N.A.

d/b/a U.S. BANK HOME MORTGAGE – MRBP DIVISION

PROGRAM ADMINISTRATION AND SERVICING AGREEMENT

Relating to
Single Family Housing Revenue Bonds
(Multi-County Program)
\$20,000,000 2006 Series B-1 (AMT)

Single Family Housing Subordinated Revenue Bonds
(Multi-County Program)
\$550,000 2006 Series B-2 (AMT)

Dated as of October 1, 2006

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PROGRAM ADMINISTRATION AND SERVICING AGREEMENT
PERTAINING TO HOUSING FINANCE AUTHORITY
OF PINELLAS COUNTY
SINGLE FAMILY HOUSING REVENUE BONDS
2006 SERIES B
(MULTI-COUNTY PROGRAM)

This Program Administration and Servicing Agreement (the "Program Administration and Servicing Agreement") entered into as of the first day of October, 2006, by and between US BANK N.A. operating by and through U.S. BANK HOME MORTGAGE - MRBP DIVISION, a national banking association organized under the laws of the United States, with its principal office located at Bedford, Ohio (the "Master Servicer" or "Servicer"), and the HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, a public body corporate and politic of the State of Florida (the "Issuer").

W I T N E S S E T H

WHEREAS, the Issuer was duly created pursuant to the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended, and Code of Ordinances of Pinellas County, Florida Section 2-386 (collectively, the "Act"), and authorized thereby to issue notes and bonds from time to time to fulfill its public purpose of alleviating a shortage of housing available at prices and 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, the Issuer intends to implement a Mortgage Loan Program (the "Program") consisting of conventional and RD-Guaranteed, FHA-Insured and/or VA-Guaranteed Mortgage Loans to assist persons of low, moderate or middle income to afford the costs of acquiring and owning decent, safe and sanitary housing; and

WHEREAS, to alleviate the shortage of decent, safe and sanitary housing, and the shortage of funds to provide such housing, for persons or families of low, moderate or middle income within the Issuer's Area of Operation which constitutes a valid public purpose for the issuance or refunding of revenue bonds under the Act, the Issuer has developed the Program with respect to (i) the issuance of its \$20,000,000 Housing Finance Authority of Pinellas County, Florida Single Family Housing Revenue Bonds, 2006 Series B-1 (AMT) (Multi-County Program) (the "2006B-1 Bonds"), and \$550,000 Housing Finance Authority of Pinellas County, Florida Single Family Housing Subordinated Revenue Bonds, 2006 Series B-2 (AMT) (Multi-County Program) (the "2006B-2 Bonds," together with the 2006B-1 Bonds, the "Bonds"), and (ii) the use of the net proceeds of the Bonds to refund certain of the Issuer's previously issued revenue bonds or other borrowings which were issued to purchase from the Master Servicer fully modified mortgage-backed securities (the "GNMA Certificates") of the Government National Mortgage Association ("GNMA") evidencing the guarantee by GNMA of timely payment of monthly principal and interest of qualifying RD, FHA and/or VA Mortgage Loans made to finance homes located in the Eligible Loan Area (as defined in

the Origination Agreement hereinafter defined) and to purchase single-pooled mortgage-backed securities ("Fannie Mae Securities") of the Federal National Mortgage Association ("Fannie Mae" or "Fannie Mae") evidencing the guarantee by Fannie Mae of timely payment of monthly principal and interest of qualifying Conventional Mortgage Loans, including Mortgage Loans originated under Fannie Mae's Community Home Buyer's Program, and to purchase single-pooled mortgage-backed securities ("Freddie Mac Certificates") of the Federal Home Loan Mortgage Corporation ("Freddie Mac ") evidencing the guarantee by Freddie Mac of timely payment of monthly principal and interest of qualifying Conventional Mortgage Loans made to finance the purchase of homes in the Area of Operation for use as the permanent place of residence by persons or families of low, moderate and middle income (the "Mortgage Loans"), and to purchase additional GNMA Certificates Freddie Mac Certificates and Fannie Mae Securities likewise relating to eligible Mortgage Loans, which Mortgage Loans are to be originated pursuant to the Master Mortgage Origination Agreement dated as of May 1, 1998, as amended and supplemented from time to time (the "Origination Agreement") by and among certain lending institutions (the "Participants"), the Servicer, the Issuer and the Trustee and are to be serviced by the Servicer pursuant to this Program Administration and Servicing Agreement; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986 (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof, the proceeds of which are to be used to finance qualifying owner-occupied residences (the "Single Family Residences") shall be excludable from gross income for federal income tax purposes if such issue meets certain requirements stated in Section 143 of the Code as well as certain requirements of Section 148 of the Code; and

WHEREAS, in order to carry out the Program, the Issuer, U.S. Bank National Association, as successor to SouthTrust Bank, National Association (the "Trustee"), the Servicer and the Participants, have entered into the Origination Agreements pursuant to which: (i) the Issuer intends to use reasonable efforts to issue the Bonds in an amount sufficient to enable the Issuer to finance the acquisition of GNMA Certificates and Fannie Mae Securities; (ii) the Participants agree to originate and sell Mortgage Loans to the Servicer on a first-come, first-served basis and the Servicer agrees to use its best efforts to purchase Mortgage Loans subject to minimum Pool size and other requirements; (iii) the Trustee agrees to disburse moneys derived from the issuance of the Bonds to purchase GNMA Certificates and Fannie Mae Securities, which GNMA Certificates are guaranteed by GNMA, Freddie Mac Certificates are guaranteed by Freddie Mac and Fannie Mae Securities are guaranteed by Fannie Mae; and (iv) the Issuer, the Trustee, the Servicer and each Participant will agree to perform certain actions and to follow reasonable procedures applicable to each as set forth in the Origination Agreement to ensure compliance with the Code and the regulations promulgated thereunder; and

WHEREAS, the Bonds are intended to be issued under an Indenture of Trust between the Issuer and the Trustee, dated as of January 1, 1998, as may be amended and supplemented from time to time (the "Indenture"); and

WHEREAS, the Servicer will, subject to the terms hereof and of the Origination Agreement and the MBS Agreement and Pool Purchase Contract, purchase the Mortgage Loans and service the Mortgage Loans for GNMA, Freddie Mac and Fannie Mae; and

WHEREAS, the Servicer will, subject to the terms hereof, administer the Program of the Issuer.

NOW, THEREFORE, in consideration of the representations, warranties and mutual agreements herein contained, the Servicer and the Issuer agree as follows:

ARTICLE I
GENERAL PROVISIONS

Section 1.01. Definitions Unless otherwise indicated, all words and terms defined in the Indenture and the Origination Agreement, as in effect on the date hereof, are used herein as so defined. In addition, the following terms have the meaning set forth below:

"Certificate Purchase Date" means the date the Trustee purchases (to the extent permitted under the Indenture and the Investment Agreement) a GNMA Certificate or a Fannie Mae Security pursuant to Sections 4.11, 4.12 and 4.13 hereof.

"Certificate Purchase Price" means, when used with respect to a purchase from the Servicer of either a GNMA Certificate or a Fannie Mae Security, the purchase price of each GNMA Certificate and Fannie Mae Security in an amount equal to the following percentage of the principal component of the aggregate unpaid principal balance of each GNMA Certificate or Fannie Mae Security (after taking into account any scheduled principal reduction required on such GNMA Certificate or Fannie Mae Security on the first day of such month determined in accordance with Section 5.04 of the Indenture) as certified to the Trustee by the Servicer with respect to such GNMA Certificates Freddie Mac Certificates and Fannie Mae Securities plus accrued interest to, but not including, the Certificate Purchase Date, based on the type of loans associated with such Series B GNMA Certificate, Series B Freddie Mac Certificate or Series B Fannie Mae Security:

	<u>GNMA Certificate</u>	<u>Fannie Mae Security/</u> Freddie Mac Certificates
Home Key Loans	100.925%	101.475%
Home Key 10/30 Loans	100.925	101.475

"Certificates" means GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities.

"Conventional Mortgage Loan" means a Mortgage Loan other than an FHA/RD/VA Loan

which meets the requirements of the Origination Agreement and Fannie Mae or Freddie Mac, as applicable.

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

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

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

"FHA Insured" means insured under FHA Insurance.

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

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

"Fannie Mae Guaranty Fee" means the annual fee equal to .25% of the outstanding balance of the Conventional Mortgage Loans in a Fannie Mae 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 Security" means a single pool, guaranteed mortgage pass-through Fannie Mae Mortgage-backed Security, providing for the regularly scheduled monthly payments and any prepayments thereunder with the final regularly scheduled payment thereunder to be made not later than November 1, 2037 (November 1, 2047 with respect to Home Key 10/30 Loans) bearing interest at the Pass-Through Rate, issued by Fannie Mae in book entry form, recorded in the name of the Trustee or its nominee, as appropriate, guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans in the related mortgage pool, with a latest loan maturity date not later than 60 days before final Bond maturity.

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

"Freddie Mac Guaranty Fee" means the annual fee equal to .25% of the outstanding balance of the Conventional Mortgage Loans in a Freddie Mac pool payable monthly to Freddie Mac by the Servicer in connection with the issuance of a Freddie Mac Certificate.

"Freddie Mac Guidelines" means the Freddie Mac mortgage purchase guidelines established by Freddie Mac, as amended from time to time.

"Freddie Mac Certificate" means a single pool, guaranteed mortgage pass-through Freddie Mac Mortgage-backed Certificate, providing for the regularly scheduled monthly payments and any prepayments thereunder with the final regularly scheduled payment thereunder to be made not later than November 1, 2037 (November 1, 2047 with respect to Home Key 10/30 Loans) bearing interest at the Pass-Through Rate, issued by Freddie Mac in book entry form, recorded in the name of the Trustee or its nominee, as appropriate, guaranteed as to timely payment of principal and interest by Freddie Mac and backed by Conventional Mortgage Loans in the related mortgage pool, with a latest loan maturity date not later than 60 days before 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 (12 U.S.C., §1716 et seq.).

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

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

"Guide" or "GNMA Guide" means the GNMA II Mortgage-Backed Securities Guide or

Guides then in effect on the date of its application, if any, hereunder.

"Home Key Loan Program" means the program whereby the Mortgage Loan will bear interest at the Home Key Rate or the Home Key 10/30 Rate.

"PMI Insurance" shall mean private mortgage guaranty insurance required in connection with certain Conventional Mortgage Loans.

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

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

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

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

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

"Rebate Amount" means any "excess non-mortgage investment earnings" which, pursuant to the provisions of Section 148 of the Code and after giving effect to any offsets thereto such as forfeited permissible mortgage earnings, is required to be calculated pursuant to Sections 5.10(C)(iii) and 5.11 hereof.

"Servicing Fee" means (i) with respect to the Program related to the Bonds, a monthly fee in an amount equal to one-twelfth (1/12) of .50% (50 basis points) of the aggregate outstanding principal balance of the Mortgage Loans; and, which fee is retained by the Servicer as provided in the Program Administration and Servicing Agreement for services rendered thereunder, and which fee includes a GNMA/Fannie Mae guaranty fee, unless limited the applicable GNMA Guide or Fannie Mae Guides.

"Servicing Release Fees" means, with respect to a Mortgage Loan eligible to be included in a GNMA Certificate, an amount equal to 1.95% of the principal amount of such Mortgage Loan, and with respect to a Mortgage Loan eligible to be included in a Fannie Mae Security or a Freddie Mac Certificate, an amount equal to 1.40% of the principal amount of such Mortgage Loan.

Section 1.02. Servicer's Representations, Warranties and Covenants. The Servicer

represents and warrants to, and covenants with the Issuer and the Trustee that:

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

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

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

(d) This Program Administration and Servicing Agreement, and all documents and instruments contemplated hereby, which are executed and delivered by the Servicer, assuming the due authorization, execution and delivery by the other parties hereto and thereto, will constitute valid, legal and binding obligations of the Servicer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by applicable debtor relief laws.

(e) With respect to its duties hereunder, the Servicer will comply with the applicable non-discrimination provisions of the Civil Rights Act of 1964, the Fair Housing Act, U.S.C. Section 3601 et. seq., the regulations promulgated thereunder, Executive Order 11246, Equal Employment Opportunity, dated September 24, 1965 and the Fair Housing Amendments Act of 1988.

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

(g) The Servicer agrees that so long as it shall continue to serve in the capacity contemplated under the terms of this Program Administration and Servicing Agreement, it will

remain in good standing under the laws of the State of Ohio and qualified under the laws of the State to do business in the State, will not dissolve or otherwise dispose of all or substantially all of its assets and will not voluntarily consolidate with or merge into any other entity or permit one or more other entities to consolidate with or merge into it; provided, however, that the Servicer may, without violating the covenant contained in this subsection consolidate with or merge into another entity, or permit one or more entities to consolidate with or merge into it, or sell or otherwise transfer to another such entity all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting or transferee entity, as the case may be, shall have a net worth equal to or greater than the net worth of the Servicer immediately preceding any such merger, consolidation or sale of assets, shall be qualified under the laws of the State to do business in the State, shall be qualified under the laws and have all necessary approvals, as evidenced to the satisfaction of the Issuer, required of the Servicer to perform Servicer's duties under this Program Administration and Servicing Agreement, and shall assume in writing all of the obligations of the Servicer under this Program Administration and Servicing Agreement, in which event the Issuer shall release the Servicer in writing, concurrently with and contingent upon such assumptions from all obligations so assumed.

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

(i) The Servicer is a mortgage banker, mortgage company or other financial institution that customarily provides service or otherwise aids in the financing of mortgage loans on single family residential housing, or is a holding company of one or more of the foregoing with experience serving as Servicer and monitoring for compliance Mortgage Loans originated under programs designed to comply with Sections 103 and 143 of the Code.

(j) 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 GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities to be acquired by the Issuer under the Program.

(k) The Servicer is familiar with all GNMA, Freddie Mac and Fannie Mae rules and regulations applicable to the Program and shall use diligent, reasonable efforts to become and to remain familiar with all GNMA, Freddie Mac and Fannie Mae rules and regulations applicable to the Program, including, but not limited to, any changes or proposed changes in the GNMA, Freddie Mac and Fannie Mae servicing rates, size of GNMA, Freddie Mac and Fannie Mae Pools or other features affecting the purchase of Mortgage Loans under the Origination Agreement for this Program, and promptly shall notify all Participants of such changes or proposed changes of which the Servicer becomes aware during the Origination Period for such Program.

(l) From time to time, the Servicer will report to the Issuer and the Trustee, as more fully

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

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

(n) The Servicer will not knowingly take any action or fail to take any action or permit any action within its control to be taken which would impair the exclusion from gross income for federal income tax purposes of interest on the Bonds and will file with the Commissioner of Internal Revenue Service on behalf of the Issuer for each calendar year in which moneys under the Indenture are used to purchase GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities, information reports as set forth in Section 2.08 hereof designed to comply with regulations promulgated under Section 143(6) of the Internal Revenue Code of 1986, as amended.

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

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

(q) No merger by or sale of the assets of the Servicer under Section 1.02(g) shall occur without the prior written approval of the Issuer (which approval shall not unreasonably be withheld), GNMA, Freddie Mac and Fannie Mae, except for mergers with or sales to entities the ownership and management of which is substantially identical to that of the Servicer. Any entity into which, pursuant to the terms hereof, the Servicer may be merged or consolidated, or any entity resulting from any merger, conversion or consolidation to which the Servicer shall be a party, pursuant to the terms hereof, or any entity succeeding to the business of the Servicer, pursuant to the terms hereof, shall be the successor of the Servicer hereunder and shall assume in writing all of the obligations of the Servicer hereunder.

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

Section 1.03. Assignment of Program Administration Obligations; Subcontracts. The Servicer may assign for consideration all (but not a portion) of its rights and obligations under this Program Administration and Servicing Agreement to another servicer, provided that such assignment is evidenced by a written agreement in which the assignee agrees to assume all of the Servicer's obligations hereunder and agrees to provide its services for the same fee as provided in this Program Administration and Servicing Agreement. Any such assignment is subject to the written consent of GNMA, Fannie Mae, Freddie Mac and the Issuer (which approval shall not unreasonably be withheld). Additionally, the Servicer may enter into contracts and subcontracts with other entities for the provision of services and the performance of obligations required or necessary hereunder, subject to the prior approval of GNMA, Fannie Mae, Freddie Mac and the Issuer (which consent shall not unreasonably be withheld). Notwithstanding the foregoing, the Servicer shall remain primarily responsible for the performance of its obligations hereunder.

ARTICLE II PROGRAM ADMINISTRATION

Section 2.01. Overall Responsibility. The Servicer shall have general responsibility for administering the Program in accordance with this Program Administration and Servicing Agreement and the applicable Origination Agreement for the respective Series of Bonds for and on behalf of the Issuer. The Servicer shall be and is hereby irrevocably authorized and empowered by the Issuer to execute and deliver for and on behalf of the Issuer any and all instruments, documents and writings necessary or desirable to fulfill its duties and responsibilities hereunder.

Section 2.02. Specific Responsibilities During the Origination Period. During the respective Origination Period, the Servicer shall provide the following services with respect to the administration of the Program:

(a) The review of Mortgage Loan documents to determine compliance with the terms and conditions of the eligibility guidelines of the Program, as set forth in the applicable Origination Agreement and Lender's Guide for the respective Series of Bonds, prior to purchase of the Mortgage Loans by the Servicer. In determining compliance with the Program, the Servicer may rely upon the provisions of the Program Documents and any guidelines that the Issuer may prepare and deliver in writing to the Servicer for that purpose. It shall be the responsibility of the Issuer to periodically revise such guidelines as necessary;

(b) Advising each Participant in writing (with copies to the Issuer, if requested) on a timely basis regarding its compliance with the eligibility guidelines of the Program, as set forth in

the applicable Origination Agreement for the respective Series of Bonds or the action, if any, necessary to bring it into compliance with such guidelines of the Program Documents and returning to a Participant all documentation for Mortgage Loans determined by the Servicer not to be in compliance with the requirements of the Program Documents;

(c) The preparation of reports to the Issuer as set forth in the applicable Origination Agreement for the respective Series of Bonds outlining the applications in process, the Mortgage Loans closed to date by each Participant and the Mortgage Loans purchased to date by the Servicer.

(d) Consulting with and advising the Participants, the Trustee and the Issuer regarding technical questions and problems which might arise in connection with the Origination Agreement;

(e) Taking any other action which it deems necessary or appropriate in order to facilitate the implementation of the Program in accordance with the provisions of the Program Documents;

(f) The preparation of monthly reports to the Issuer during the applicable Origination Period for the respective Series of Bonds, regarding the characteristics of the Mortgagors and the portfolio of Mortgage Loans, in a form acceptable to the Issuer. In order to obtain the information required to be included in the report, the Servicer shall, prior to the purchase by the Trustee of each GNMA Certificate, Freddie Mac Certificate and Fannie Mae Security with proceeds of the Bonds, require the Participant to provide the Servicer with such information. The form of such reports provided to the Issuer prior to the date of execution hereof is acceptable, as to format, to the Issuer. Each such report shall be dated as of the last day of the preceding week and shall indicate that it is submitted in connection with the Housing Finance Authority of Pinellas County, Single Family Housing Revenue Bonds, 2006 Series B (Multi-County Program), dated as of September 27, 2006; and

(g) If any Participant should withdraw from the Program, become insolvent, be dissolved or taken control of by State or federal officials or agencies having jurisdiction the result of which is the Participant's inability to participate in the Program, the Servicer may, at the Authority's option, become a Participant in the same manner as a new Participant under the provisions of and in conformity with the applicable Origination Agreement for the respective Series of Bonds. Under such circumstances, the Servicer may also become a Participant temporarily without any further action by it or the Issuer until such time as a replacement Servicer can be obtained, or the Servicer is substituted for such Participant in accordance with the foregoing sentence.

Section 2.03. Review of Compliance and Mortgage Files. Following Mortgage Loan commitment, the Participant shall deliver the Compliance Commitment File, described in the Lender Guide, to the Servicer. Preliminary approval or disapproval will be in writing in a form prescribed by the Servicer. Following loan closing, the Participant shall deliver the Compliance Closing Documents, described in the Lender Guide, to the Servicer for final approval. Participant shall submit to the Servicer, with respect to each Mortgage Loan, a Mortgage File, a package containing the documents described in the Lender's Guide, within 30 Business Days of such closing.

In reviewing the Compliance and Mortgage Files, and based solely upon the documents or certificates as are deemed necessary by the Servicer, the Servicer shall confirm whether:

(a) All documents necessary for the Purchase of the Mortgage Loan have been submitted and appear on their face to have been completed properly in all material respects;

(b) The Mortgagor is an Eligible Person or Family;

(c) The Acquisition Price is not in excess of the applicable limitation established in the Origination Agreement;

(d) Based solely on the documentation included in the Mortgage File, the Mortgage Loan is insured or eligible for insurance by FHA, guaranteed or eligible for guarantee by RD or VA, or qualifies as a Conventional Mortgage Loan as described in the Origination Agreement;

(e) All of the requirements for the origination of Mortgage Loans set forth in the Origination Agreement have been satisfied; and

The Servicer shall also take the following steps:

(g) Examine all affidavits and certifications and attached federal income tax returns and, except in the case of a Targeted Area Mortgage Loan, check for evidence of home ownership during the previous three (3) years from the date on which the Mortgage is executed as evidenced by deductions for mortgage interest or real estate taxes with respect to a principal residence and require the Participant to contact Mortgagor's previous landlords if other evidence of lack of home ownership is insufficient (i.e., Mortgagor states in affidavit that he/she was not required to file a federal income tax return for any one (1) or more of the prior three (3) years for which such returns are unavailable);

(h) In instances, if any, where in the reasonable judgment of the Servicer, based upon adverse information regarding the Mortgage Loan received by the Servicer in connection with the origination of a Mortgage Loan, inspection is advisable, require the originating Participant to inspect the Single Family Residence prior to Purchase of the Mortgage Loan by Servicer to determine whether it (1) constitutes a completed Single Family Residence, (2) contains land in excess of normal requirements, (3) shows evidence of use or design for use in a trade or business of the Mortgagor, or (4) is occupied by the Mortgagor as Mortgagor's principal residence, and require the Participant to certify to the Servicer in writing as to the foregoing facts. The Servicer may rely upon and shall not be required to independently verify the truth and accuracy of the facts set forth in such certificate of Participant in determining the eligibility of a Mortgage Loan under the Program;

(i) Determine that the aggregate Purchase Price of Mortgage Loans purchased in connection with the Program do not exceed funds available in the Program. For purposes of this

subsection (i), the Servicer may rely upon the relevant amounts and information provided by the Trustee upon request;

(j) Make or require the Participant to make any other examinations or investigations deemed necessary or advisable by Servicer based upon adverse information regarding the Mortgage Loan received by the Servicer, or reasonably required by the Issuer to determine that all of the requirements for the origination of Mortgage Loans, as set forth in the Program Documents have been met and to certify to the Servicer in writing as to the foregoing facts. The Servicer shall not be required to independently verify the truth and accuracy of the facts set forth in such certificate of Participant in determining the eligibility of a Mortgage Loan for purchase under the Program; and

(k) If there has been a significant lapse of time between delivery of the Mortgage File to the Servicer and the date of information of the Compliance Package, and the Servicer has reason to believe that the information contained in the Compliance Package is no longer correct, the Servicer, at its discretion, shall request the Participant originating the Mortgage Loan to update the information (which updating, at the option of the Servicer, may be done by telephone or facsimile transmission to expedite funding) on the Mortgagor's and Seller's Certifications.

Section 2.04. 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, the Servicer shall enter into an assumption agreement with the person to whom such property has been or is about to be conveyed; provided that the assumption and purchaser comply with the requirements of the Program. The foregoing assumption restrictions (as well as any additional assumption restrictions required by FHA, RD or VA or Fannie Mae or Freddie Mac or PMI Insurance) shall be incorporated in the related Mortgage and kept as a part of the Mortgage File. In connection with any such assumption agreement, the interest rate of the related Mortgage Note shall not be changed, however, the Servicer may charge in connection with each assumption to the extent permitted by law or regulations of FHA, RD or VA, a fee, to be paid by or on behalf of assumptors, plus the reasonable and customary out-of-pocket costs paid or incurred by the Servicer.

Section 2.05. Compensation; Liability of the Servicer for Expenses. As compensation for the performance of its duties hereunder, the Servicer is entitled to receive a Borrower/Builder-Seller Participation Fee as described in the Lender's Guide in the amount of \$215 in accordance with and at the times set forth in the Origination Agreement and the Lender's Guide. Except as set forth in the preceding sentence, the Servicer shall be required to pay all expenses incurred by it in connection with its activities hereunder and shall not be entitled to reimbursement therefor.

Section 2.06. Notices and Reports to the Issuer.

(a) The Servicer shall exercise due diligence in reporting to the Issuer any occurrences observed in the administration of the Program which in the reasonable judgment of the Servicer would be of interest to the Issuer or which would have the effect of violating the terms and

conditions of the Program, as set forth in the Program Documents, including those designed to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(b) At the end of the Origination Period, the Servicer shall provide a summary of the reservations for Home Key Mortgage Loans. At any time, if requested by the Issuer, the Servicer shall provide copies of any Home Key loan file documents. The expense of providing copies of such documents shall be the responsibility of the Issuer.

(c) The Servicer shall provide to the Issuer copies of any report submitted to the Trustee or Disclosure Agent for disclosure to the secondary market.

Section 2.07. Reports to Trustee and Disclosure Agent. Throughout the term of this Program Administration and Servicing Agreement, the Servicer shall simultaneously submit to the Trustee copies of all reports required by the GNMA Guide, Freddie Mac Guidelines and Fannie Mae Guides to be submitted to GNMA, Freddie Mac and Fannie Mae with respect to GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities issued under the Program and information required for disclosure to the secondary market. As of the date hereof, the reports required to be so filed with the Trustee consist of GNMA Form 11-710(A), municipal and GNMA, Freddie Mac /Fannie Mae. Further, the Servicer shall prepare or obtain and forward to the Disclosure Agent under the Continuing Disclosure Agreement (the "Agent") all reports and documents identified therein as such from time to time.

Section 2.08. Internal Revenue Service Reports. For each reporting period currently ending on June 30 of each year in which proceeds of the Bonds are used to purchase any GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities, the Servicer as agent for the Issuer shall file a report containing the information, and in the manner, required under Section 1.103B-2(k)(2)(ii) of the Treasury Regulations. In order to obtain the information required to be included in the report, the Servicer shall, prior to the purchase by the Trustee of each GNMA Certificate, Freddie Mac Certificate and Fannie Mae Security with proceeds of the Bonds, require the Participant to provide the Servicer as agent for the Issuer with information regarding whether the Mortgagor was a first time homebuyer on the Closing Date.

The Issuer covenants that it will cooperate to the fullest extent possible with the Servicer in connection with the reporting requirements of this Section 2.08. Anything to the contrary notwithstanding, the Servicer will be deemed in compliance with this Section 2.08, if the Servicer is in compliance with the aforementioned Treasury regulations, or any modifications thereof of which the Servicer has actual knowledge.

ARTICLE III PURCHASE OF CERTIFICATES

Section 3.01. The MBS Commitments. The Servicer covenants to obtain and maintain

sufficient MBS Commitments to meet the anticipated needs of the Program.

Section 3.02. [Section Reserved].

Section 3.03. The Custodian. In connection with the MBS Commitment, and pursuant to the Custodial Agreement that the Custodian shall execute prior to the issuance of the GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities, the Custodian will retain for the term of the Program (i) the original Mortgage Note, (ii) the unrecorded Assignment of Mortgage to GNMA, Freddie Mac or Fannie Mae; (iii) the original recorded Mortgage, (iv) all intervening recorded assignments of the Mortgage, if any, (v) the mortgagee's title insurance policy, and (vi) the applicable FHA Mortgage Insurance Certificate, VA Loan Guaranty Certificate, RD Loan Guaranty Certificate or Private Mortgage Guaranty Insurance policy if so required. The Servicer may appoint any substitute custodian in the place of the Custodian at any time with the prior written consent of GNMA, Freddie Mac or Fannie Mae, as applicable.

ARTICLE IV THE SERVICER

Section 4.01. Limitation on Liability of Directors, Officers, Employees and Agents of the Servicer. No director, officer, employee or agent of the Servicer shall be under any personal liability to the Issuer, the Trustee or the Owners of the Bonds for any action taken in good faith or for refraining from the taking of any action in good faith pursuant to this Program Administration and Servicing Agreement, or for errors in judgment.

Section 4.02. The Servicer Not to Resign. The Servicer shall not resign from the obligations and duties hereby imposed on it except upon determination that its duties hereunder are no longer permissible under applicable law or regulation. Any such determination permitting the resignation of the Servicer shall be made on the basis of evidence satisfactory to the Issuer. No such resignation shall become effective until a successor servicer shall have assumed the Servicer's responsibilities and obligations in accordance with Section 5.03 hereof.

Section 4.03. Servicer's Duties and Responsibilities. The Servicer shall not consent to any changes in the terms and conditions of any Mortgage Loan, the release of specified property from the lien of a Mortgage or the grant of an easement or right of way upon property securing a Mortgage Loan, except any such amendment, release or grant which is not inconsistent with or prejudicial to the rights and interests of GNMA, Freddie Mac or Fannie Mae, or of the PMI Insurer, Issuer, Trustee or the owners of the Bonds; and provided further that no such change shall affect the time or amounts of payment of principal and interest on the Mortgage Loan or the obligation to pay taxes and maintain insurance on the property securing the Mortgage Loan at the times and in the manner specified in the Origination Agreement.

The Servicer shall diligently enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage

Loans, including the prompt payment of all Mortgage Loan principal and interest payments and all other amounts due thereunder and compliance with all provisions of Article IV of the Origination Agreement. Except as provided in said Article IV of the Origination Agreement, the Servicer shall not release the obligations of any mortgagor under any Mortgage Loan, provided that this provision shall not be construed to prevent the Servicer from settling, in case of a default in payment thereof, any Mortgage Loan on such terms as the Servicer shall determine to be in the best interests of the Issuer and the Bondholders. In the event that the insurers of any insurance policy contemplated under the Program shall cease to be licensed in the State of Florida, or cease to comply with the applicable provisions of the Origination Agreement for such insurance, the Servicer shall exercise its best efforts to obtain comparable replacement policies with total coverage equal to the then existing coverage of such insurance policies from insurers so licensed and approved.

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

The Servicer shall, in conjunction with the delivery of any Mortgage Loan to the Trustee for Purchase, certify to the Trustee the loans that are to comprise a 2006B Guaranteed Mortgage Securities which are Polk County loans, or Target Area Loans. The Trustee shall be entitled to conclusively rely on such certification.

Section 4.04. Servicing Standards. With respect to all Mortgage Loans, the Servicer agrees to service such Mortgage Loans in accordance with generally accepted practices of the mortgage lending industry, this Program Administration and Servicing Agreement and with the requirements of the GNMA Guide, Freddie Mac Guidelines or Fannie Mae Guides, as applicable, including maintenance of all accounts required thereby, shall perform all such duties with due care, diligence and reasonable promptness, and will provide prompt monthly principal and interest payments to the Trustee under the GNMA Certificate, Freddie Mac Certificate and Fannie Mae Securities accompanied by a statement identifying principal, interest and Principal Prepayment components of such payment and will forward copies of such reports, if any, as are required by the GNMA Guide, Freddie Mac Guidelines or the Fannie Mae Guide, to the Issuer and the Trustee with respect to the status of the Mortgage Loans. As of the date hereof, the reports required to be so filed with the Trustee consist of GNMA Form 11-710(A).

Section 4.05. Assignment of Servicing Obligations. The Servicer may assign for consideration all (but not a portion) of its servicing rights and obligations under this Servicing Agreement to another servicer, provided that such assignment is evidenced by a written agreement in which the assignee agrees to assume all of the Servicer's obligations hereunder and agrees to provide its services for the same fee as provided in this Agreement. Any such assignment is subject to the prior written consent of GNMA, Fannie Mae, Freddie Mac and the Issuer or their successors or assigns, and which consent of the Issuer will not be unreasonably withheld or delayed.

Section 4.06. Notice of Mortgage Loan Balances. In connection with the purchase of each GNMA Certificate, Freddie Mac Certificate and Fannie Mae Security, the Servicer shall certify to the Trustee and the Issuer, in writing, prior to each such purchase, the following: (i) the outstanding principal balance of the Mortgage Loans comprising the Pool for such GNMA Certificate, Freddie Mac Certificate or Fannie Mae Security as of such Certificate Purchase Date; (ii) the type of Mortgage Loans comprising the Pool; and (iii) that based upon reasonable review as set forth in this Program Administration and Servicing Agreement, the Servicer believes that all Mortgage Loans backing such GNMA Certificate, Freddie Mac Certificate or Fannie Mae Security are "Mortgage Loans" within the meaning of the Origination Agreement and that the GNMA Certificate, Freddie Mac Certificate and Fannie Mae Security conforms to all requirements of the GNMA Commitment and the GNMA Guaranty, Freddie Mac Guaranty or Fannie Mae Guaranty, as applicable. In connection with the purchase of the GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities on a Certificate Purchase Date, the Servicer shall, upon the written request of the Trustee at least ten days in advance, certify to the Trustee, prior to such purchase the outstanding principal balance of the Mortgage Loans comprising the Pools for such GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities as of such Certificate Purchase Date.

Section 4.07. Funding of Purchase Price of Mortgage Loans. At the time of the purchase of a Mortgage Loan by the Servicer from the Participant, Servicer shall pay a Mortgage Loan Purchase Price (expressed as a percentage of the principal balance of the applicable Mortgage Loan) as set forth below:

	<u>GNMA Certificate</u>	<u>Fannie Mae Security/ Freddie Mac Certificate</u>
Home Key Loans and Home Key 10/30 Loans (Lender Allocation)	102.875%	102.875%
Home Key Loans and Home Key 10/30 Loans ¹ (Pool Loan)	101.750	101.750

1. Payment in the amount of 1.125% of the principal amount of applicable Home Key Mortgage Loans not originated in connection with a Lender Allocation is also due to the Issuer.

Section 4.08. Escrow Account. The Servicer hereby covenants and agrees to establish and maintain a separate account or accounts (collectively, the "Escrow Account"), to be maintained in

accordance with GNMA, Freddie Mac and Fannie Mae requirements, and shall deposit therein all moneys received by it as escrow payments, including amounts representing collections of real estate taxes, assessments, premiums of any standard hazard insurance policy and comparable items.

Section 4.09. Joinder in Legal Proceedings. Upon the request of the Servicer, and at the Servicer's sole expense, the Issuer and/or the Trustee shall join as parties plaintiff in any legal proceeding brought by the Servicer against any Participants concerning any obligations of Participants under the Origination Agreement. In the event that the Issuer or the Trustee shall join in any such legal proceeding at the request of Servicer, Servicer shall indemnify, and hold harmless, the Issuer and the Trustee from any and all costs and expenses in any form and for whatever reason incurred, including, but not limited to any and all costs and attorneys' fees of a defendant required to be paid by the Issuer and the Trustee by court order in the event of a judgment in favor of such defendant.

Section 4.10. Compensation and Expenses for Servicing; Service Release Fee. The Servicer's compensation for servicing the Mortgage Loans shall be the Servicing Fee. The Servicer will make periodic payments to the Issuer, during the loan origination period for Mortgage Loans to be purchased with proceeds of the Bonds, of the Servicing Release Fee, provided that with respect to a Mortgage Loan originated by a Lender who had purchased Allocation from the Issuer, and amount of the Servicing Release Fee shall be reduced by 1.125%.

Section 4.11. Purchase of GNMA Certificates. Following the Servicer's periodic purchase of Mortgage Loans pursuant to the Origination Agreement, in amounts sufficient to create a Pool, the Servicer shall (a) prepare the Pool Documentation Package for such Mortgage Loans and submit to the Custodian such documents of the Pool Documentation Package as the Custodian is required to review for initial certification and final certification pursuant to the GNMA Guide, and (b) notify the Trustee in writing of the principal amount of Mortgage Loans in the Pool represented by such GNMA Certificate. Following the Custodian's satisfactory review of the applicable documents of the Pool Documentation Package, the Custodian will give initial certification to GNMA, and the Servicer shall cause a GNMA Certificate to be issued in a principal amount equal to the outstanding principal amount of the Mortgage Loans represented by the Pool Documentation Package. The Servicer will deliver a GNMA Certificate to the Trustee for purchase ten (10) calendar days after a GNMA Certificate is issued and will give the Trustee not less than four (4) business days prior notice of the date such GNMA Certificate will be delivered to the Trustee for purchase; provided that, if the notice period for the Trustee to draw funds under the Investment Agreement is amended, the Trustee shall so notify the Servicer in writing and the Servicer shall give notice to the Trustee in accordance therewith, but in no event shall the Servicer be required to give the Trustee more notice than the number of days notice required under the Investment Agreement if the notice requirement thereunder is more than five (5) days' notice.

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

The Trustee, on behalf of the Issuer, shall purchase such GNMA Certificate from the Servicer

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

The obligation of the Trustee to purchase such GNMA Certificate is conditioned upon the Mortgage Loans represented by the Pool Documentation Package being in conformity with all requirements of the Program Documents and the conditions to purchase specified in Section 5.07 of the Indenture. The Trustee shall be entitled to rely on the certifications and representations of the Servicer that the Mortgage Loans represented by the Pool Documentation Package are eligible and meet the requirements under the Program. The Trustee has no 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 shall rely on guidelines prepared by the Issuer and delivered to the Servicer for that purpose and the terms and provisions of the Program Documents.

Section 4.12. Purchase of Fannie Mae Securities.

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

(b) It is recognized and agreed that in accordance with the Program Documents, the Servicer in its best judgment shall cause Fannie Mae to issue Fannie Mae Securities which shall be comprised of Conventional Mortgage Loans and which shall be based on and backed by a Pool in a minimum outstanding principal amount of Two Hundred and Fifty Thousand dollars (\$250,000), or such lesser amount as may be permitted or approved by Fannie Mae, and shall be issued in accordance with Section 4.12(g) hereof.

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

(d) The Servicer shall purchase Conventional Mortgage Loans as expeditiously as possible and shall aggregate the Conventional Mortgage Loans originated by the Participants during the Origination Period. The Servicer may, but is not required to, "warehouse" any portion of such Conventional Mortgage Loans for aggregation of the Conventional Mortgage Loans to form a Fannie Mae Security until such time that the Servicer deems it advisable, in the exercise of due diligence to cause the issuance of any Fannie Mae Security. In the event that the Servicer has Conventional Mortgage Loans in a sufficient aggregate principal amount to constitute a Fannie Mae Pool and thereafter, to cause the issuance of a Fannie Mae Security with respect to such Fannie Mae Pool, the Servicer shall aggregate all such Conventional Mortgage Loans to form such Fannie Mae Pool and shall submit an appropriate application to Fannie Mae for the issuance of such Fannie Mae Security in accordance with this Agreement and the Pool Purchase Contract.

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

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

(g) Pursuant to the current standards and policies of Fannie Mae as set forth in the Fannie Mae Guides and as provided by the Pool Purchase Contract, the Servicer may provide for the issuance of Fannie Mae Securities by purchasing Conventional Mortgage Loans to be delivered to Fannie Mae to constitute Fannie Mae Pools in a minimum original outstanding principal amount of two hundred and fifty thousand dollars (\$250,000). The total principal amount of any issue of Fannie Mae Securities shall equal the total aggregate unpaid principal balances of Conventional Mortgage Loans in the Fannie Mae Pool.

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

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

(j) The Servicer shall have no obligation to purchase Mortgage Loans intended to form a Pool for a Fannie Mae Security after the date the current Pool Purchase Contract either expires or all capacity thereunder has been utilized, unless on or prior to that date Fannie Mae has renewed or extended the Pool Purchase Contract, and thereafter the Servicer shall be obligated to purchase such Mortgage Loans only so long as a Pool Purchase Contract is in full force and effect.

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

Section 4.13. Purchase of Freddie Mac Certificates.

(a) Subject to the terms and conditions hereof, the Servicer shall pay all fees required by

Freddie Mac in connection with the issuance of Freddie Mac Certificates.

(b) It is recognized and agreed that in accordance with the Program Documents, the Servicer in its best judgment shall cause Freddie Mac to issue Freddie Mac Certificates which shall be comprised of Conventional Mortgage Loans and which shall be based on and backed by a Pool in a minimum outstanding principal amount of Two Hundred and Fifty Thousand dollars (\$250,000), or such lesser amount as may be permitted or approved by Freddie Mac, and shall be issued in accordance with Section 4.13(g) hereof.

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

(d) The Servicer shall purchase Conventional Mortgage Loans as expeditiously as possible and shall aggregate the Conventional Mortgage Loans originated by the Participants during the Origination Period. The Servicer may, but is not required to, "warehouse" any portion of such Conventional Mortgage Loans for aggregation of the Conventional Mortgage Loans to form a Freddie Mac Certificate until such time that the Servicer deems it advisable, in the exercise of due diligence to cause the issuance of any Freddie Mac Certificate. In the event that the Servicer has Conventional Mortgage Loans in a sufficient aggregate principal amount to constitute a Freddie Mac Pool and thereafter, to cause the issuance of a Freddie Mac Certificate with respect to such Freddie Mac Pool, the Servicer shall aggregate all such Conventional Mortgage Loans to form such Freddie Mac Pool and shall submit an appropriate application to Freddie Mac for the issuance of such Freddie Mac Certificate in accordance with this Agreement and the Pool Purchase Contract.

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

(f) The Servicer will ensure that the Program shall have at least equal priority with respect to other servicing activities of the Servicer to any unfunded Freddie Mac Certificate available to the Servicer or to the issuance of any other Freddie Mac Certificate not specifically

pledged to an identifiable lending activity.

(g) Pursuant to the current standards and policies of Freddie Mac as set forth in the Freddie Mac Guidelines, the Servicer may provide for the issuance of Freddie Mac Certificates by purchasing Conventional Mortgage Loans to be delivered to Freddie Mac to constitute Freddie Mac Pools in a minimum original outstanding principal amount of two hundred and fifty thousand dollars (\$250,000). The total principal amount of any issue of Freddie Mac Certificates shall equal the total aggregate unpaid principal balances of Conventional Mortgage Loans in the Freddie Mac Pool.

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

(i) All Freddie Mac Certificates shall be issued with the Special Servicing Option (as defined in the Freddie Mac Guidelines).

(j) The Servicer shall have no obligation to purchase Mortgage Loans intended to form a Pool for a Freddie Mac Certificate after the date the current Pool Purchase Contract either expires or all capacity thereunder has been utilized, unless on or prior to that date Freddie Mac has renewed or extended the Pool Purchase Contract, and thereafter the Servicer shall be obligated to purchase such Mortgage Loans only so long as a Pool Purchase Contract is in full force and effect.

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

payments, including prepayments, of principal received by the Trustee or the Servicer on a Freddie Mac Certificate in the month in which such Freddie Mac Certificate was purchased from the Servicer shall belong to the Trustee, provided that the purchase price is calculated as a percentage of the outstanding balance of the Mortgage Loans underlying the Freddie Mac Certificate as of the first day of the month prior to the month in which such purchase occurs.

Section 4.14. Purchase of Mortgage Backed Securities Generally. The Trustee, on behalf of the Issuer, shall purchase GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities, as the case may be, from the Servicer on any Business Day of a month mutually agreed upon by the Servicer and the Trustee as set forth in the notice of such purchase from the Servicer at a price equal to the applicable Certificate Purchase Price. All payments of scheduled principal and interest received by the Trustee or the Servicer on a GNMA Certificate, Freddie Mac Certificate or Fannie Mae Security in the month in which such GNMA Certificate, Freddie Mac Certificate or Fannie Mae Security was purchased shall belong to the Servicer, and the Trustee, if it receives such amounts, shall pay them immediately to the Servicer. All payments of Principal Prepayments with respect to a GNMA Certificate, Freddie Mac Certificate or Fannie Mae Security received by the Servicer or the Trustee in the month following the month in which such GNMA Certificate, Freddie Mac Certificate or Fannie Mae Security was purchased and thereafter shall be paid to the Trustee for the benefit of the Bondholders.

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

The Issuer hereby agrees to acquire, through the Trustee, in accordance with and during the period described in the Indenture, the GNMA Certificates, Freddie Mac Certificates and Fannie Mae Securities delivered to the Trustee by the Servicer after issuance of the Series 2006B Bonds (the "Delivery Period") with funds on deposit in the 2006B Acquisition Account with respect to the applicable Series of Bonds.

Section 4.15. Servicer May Pledge Collateral. During any period of time in which the Servicer has purchased a Mortgage Loan from a Participant, the Servicer may pledge such Mortgage Loan to a financial institution providing the funding for such purchase until such time as a GNMA Certificate, Freddie Mac Certificate or Fannie Mae Security is created and sold to the Trustee.

ARTICLE V
CAUSES PERMITTING TERMINATION

Section 5.01. Causes Permitting Termination Defined. Upon the happening of any one or more of the following events (and after any applicable cure period), the Issuer may terminate this Program Administration and Servicing Agreement with respect to the Servicer as provided in Section 5.02 hereof and shall have the other remedies specified therein, provided that prior to such termination, the Issuer shall have received the written approval of GNMA, Freddie Mac and Fannie Mae to terminate this Program Administration and Servicing Agreement.

(a) Failure by the Servicer duly to observe or perform in any respect any covenant, condition or agreement in this Program Administration and Servicing Agreement to be observed or performed, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Servicer by the Issuer unless the Issuer shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice is correctable and cannot be corrected within the applicable time period, the Issuer will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Servicer within the applicable period and diligently pursued until the default is corrected.

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

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

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

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

Section 5.02. Remedies. Whenever any cause referred to in Section 5.01 hereof shall have happened and be continuing, the Issuer may, upon the expiration of any applicable cure period, take any one (1) or more of the following remedial steps:

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

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

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

Section 5.03. Appointment of Successor. At the time the Servicer receives a notice of termination pursuant to Section 5.02(a), the substitute servicer shall succeed to all rights and obligations of the Servicer under this Program Administration and Servicing Agreement. As compensation therefor, the substitute servicer shall be paid a reasonable fee; provided, however, to the extent such fee is equal to or less than the fee then being paid to the Servicer, such fee shall be payable only from funds which the Servicer would have been entitled to receive if the Servicer had

continued to act hereunder, but in no event shall a substitute servicer receive a fee from Pledged Revenues in excess of the fee the Servicer would have been entitled to hereunder, if any. Notwithstanding the above, the Issuer shall appoint any established mortgage loan servicing organization acceptable to FHA, VA, RD, GNMA, Freddie Mac and Fannie Mae, as the successor to the Servicer hereunder in the assumption of all or any part of the responsibilities, duties or liabilities of the Servicer hereunder. In connection with such appointment and assumption, the Issuer may make such arrangements for the reasonable compensation of such successor out of payments on Mortgage Loans or as otherwise provided herein. After the Servicer receives notice of termination under Section 5.02(a), the Servicer shall be entitled to no further payments or compensation of any kind other than the payments for which services were rendered prior to such termination. The Issuer shall take such action, consistent with this Program Administration and Servicing Agreement, as shall be necessary to effectuate any such succession.

Section 5.04. 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 Program Administration and Servicing Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Program Administration and Servicing Agreement upon the happening of any event set forth in Section 5.01 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 the Issuer in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 5.05. Agreement to Pay Attorneys' Fees and Expenses.

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

(b) If it is determined by a final judicial proceeding (after all appeals have been taken or the time for taking an appeal has expired), by arbitration, by stipulation or by consent, either express or implied, that the Servicer has failed to perform its obligations under any of the provisions of this Servicing Agreement and the Trustee or the Issuer should employ attorneys or incur other reasonable expenses for the enforcement of performance or observance of any obligation or

agreement on the part of the Servicer herein contained, then the prevailing party shall be reimbursed on demand for reasonable attorneys' fees and expenses (including those incurred at appellate levels). For the purpose of this Section 5.05(b), the term "prevailing party" means the party whose position is substantially sustained in the final disposition of the controversy.

ARTICLE VI MISCELLANEOUS PROVISIONS

Section 6.01. Books and Records. The Servicer agrees to keep proper books, records and accounts in accordance with the GNMA Guide, Freddie Mac Guidelines and Fannie Mae Guides and sufficient to comply with reporting requirements applicable to the Bonds imposed by the Code. The Servicer shall make such books and records available for inspection and copying by the Issuer and the Trustee during normal business hours and under reasonable conditions.

Section 6.02. Transfer of Duties. Upon termination of this Program Administration and Servicing Agreement or the Servicer's administration responsibilities under this Program Administration and Servicing Agreement, the Servicer shall promptly, but not later than thirty (30) days after such termination, supply all reports, documents and information which are required by the Program Documents, and which are customarily provided upon such termination, to any person or entity designated by the Issuer and shall use its best efforts to effect the orderly and efficient transfer of administration to a new program administrator designated by the Issuer, including preparation of accounting statements in the form required by GNMA, Freddie Mac and Fannie Mae, and delivered to the Issuer, or its designee, of all money held and all papers and records pertaining to such Mortgage Loans, and the Issuer shall, as provided herein, provide for reimbursement to the Servicer for any amounts advanced by the Servicer and required to be reimbursed by the Issuer hereunder.

Section 6.03. Conflicts of Interest; Servicer's Access to Privileged Information Concerning Mortgagor's Accounts. Through normal servicing activities, including the servicing of delinquencies, the Servicer may sometimes obtain privileged information concerning the Mortgagors and their Single Family Residences. Such privileged information may be used by the Servicer or by its officers, employees, agents or affiliates, only as contemplated by the Program Documents. All such information must be used in a manner consistent with any applicable laws or regulations regarding disclosure of credit information. The Servicer shall not acquire and the Servicer shall not permit, to its knowledge, its officers, employees, agents or affiliates, to acquire any property which secures a Mortgage Loan, unless the Issuer has informed the Servicer in writing that it does not object to such acquisition. The Servicer may solicit Mortgagors for mortgage-related products offered by the Servicer or its affiliates.

Section 6.04. Joinder in Legal Proceedings. Upon the request of the Servicer, and at the Servicer's sole expense, the Issuer and/or the Trustee shall join as parties plaintiff in any legal proceeding brought by the Servicer against any Participants concerning any obligations of Participants under the Origination Agreement. In the event that the Issuer or the Trustee shall join in any such

legal proceeding at the request of Servicer, Servicer shall indemnify, and hold harmless, the Issuer and the Trustee from any and all costs and expenses in any form and for whatever reason incurred, including, but not limited to any and all costs and attorneys' fees of a defendant required to be paid by the Issuer and the Trustee by court order in the event of a judgment in favor of such defendant.

Section 6.05. Amendments, Changes and Modifications. Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Program Administration and Servicing Agreement may be amended, changed, modified, altered or terminated only as provided in the Indenture and with the written consent of the parties hereto.

Section 6.06. Governing Law. This Program Administration and Servicing 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 without reference to the laws of any other state or jurisdiction, except applicable federal laws, rules and regulations.

Section 6.07. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, return receipt requested, addressed to the appropriate Notice Address. A duplicate copy of each notice, certificate or other communication given hereunder to the Issuer, the Servicer, or the Trustee shall also be given to the others. The Issuer, the Servicer or Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 6.08. Severability. In the event any provision of this Program Administration and Servicing 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 6.09. Further Assurances and Corrective Instruments. To the extent permitted by law, the Issuer and the Servicer 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 Program Administration and Servicing Agreement.

Section 6.10. Term of Agreement. This Program Administration and Servicing Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds, GNMA Certificates, Freddie Mac Certificates or Fannie Mae Securities collateralized by Mortgage Loans are outstanding or GNMA, Freddie Mac or Fannie Mae shall own any Mortgage Loans made hereunder, whichever is later, or until such time as terminated pursuant to Section 5.02 hereof.

Section 6.11. No Rights Conferred on Others. Nothing in this Program Administration and Servicing Agreement shall confer any right upon any person other than the Issuer, the Servicer and

the Trustee.

Section 6.12. Members of the Issuer Not Liable. This instrument is executed by the members or officers or both of the Issuer in their capacities as said members or officers. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent, counsel, officer or employee of the Issuer in his or her individual capacity, and neither members of the Issuer or any officers executing this Agreement shall be liable personally on this Program Administration and Servicing Agreement or be subject to any personal liability by the execution thereof.

Section 6.13. Agreement to Pay Attorneys' Fees and Expenses. If it is determined by a final judicial proceeding (after all appeals have been taken or the time for taking an appeal has expired), by arbitration, by stipulation or by consent, either express or implied, that the Servicer has failed to perform its obligations under any of the provisions of this Program Administration and Servicing Agreement and the Trustee or the Issuer should employ attorneys or incur other reasonable expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Servicer herein contained, then the prevailing party shall be reimbursed on demand for reasonable attorneys' fees and expenses, including those incurred at appellate levels. For the purpose of this Section 5.05(b), the term "prevailing party" means the party whose position is substantially sustained in the final disposition of the controversy.

IN WITNESS WHEREOF, we have set our hands and seals as of the date first written above.

US BANK N.A.

By: _____

Lawrence A. Ball

Vice President

IN WITNESS WHEREOF, we have set our hands and seals as of the date first written above.

(SEAL)

HOUSING FINANCE AUTHORITY OF
PINELLAS COUNTY

ATTEST:

Anthony M. Jones
Assistant Secretary

By _____
Rodney S. Fischer
Chairman