

BMO Draft #2
3690.07
08/25/06

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY

AND

U.S. BANK, N.A.

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

SUPPLEMENT TO

PROGRAM ADMINISTRATION AND SERVICING AGREEMENT

RE: HOME KEY 2ND MORTGAGE LOANS

And

HOME KEY 10/30 2ND MORTGAGE LOANS

Relating to

**Single Family Housing Subordinated Revenue Bonds
(Multi-County Program)**

2006 Series B

Dated as of October 1, 2006

**SUPPLEMENT TO
PROGRAM ADMINISTRATION AND SERVICING AGREEMENT
RE: HOME KEY 2ND MORTGAGE LOANS
AND
HOME KEY 10/30 2ND MORTGAGE LOANS
PERTAINING TO HOUSING FINANCE AUTHORITY
OF PINELLAS COUNTY, FLORIDA
SINGLE FAMILY HOUSING SUBORDINATED REVENUE BONDS
2006 SERIES B
(MULTI-COUNTY PROGRAM)**

This Supplement to Program Administration and Servicing Agreement Re: Home Key 2nd Mortgage Loans and Home Key 10/30 2nd Mortgage Loans (the "Supplement") entered into as of the 1st day of October, 2006, by and between U.S. 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, Florida, 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 and Servicer are parties to a Program Administration and Servicing Agreement ("Agreement") relating to the Issuer's Single Family Housing Revenue Bonds – 2006 Series B ("Multi-County Program") (the "2006 Program"); and

WHEREAS, in connection with the 2006 Program the Issuer has determined that it will better serve and fulfill its public purpose of providing affordable housing in connection with the 2006 Program through the establishment of a second mortgage loan program known as "Home Key 2nd"; and

WHEREAS, the Servicer is willing to act as a custodian for the Issuer for Home Key 2nd mortgage loans originated with the Issuer's funds rather than proceeds of the Bonds until such loans are purchased with proceeds of the Bonds; and

WHEREAS, Servicer is agreeable to servicing the Home Key 2nd mortgage loans as part of its services, responsibilities and duties provided to the Issuer in connection with the Agreement; and

WHEREAS, Servicer and Issuer desire to enter into this Supplement to set forth their respective duties, rights and responsibilities as it relates to the Home Key 2nd Mortgage loans.

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

ARTICLE I

DESCRIPTION OF HOME KEY 2ND LOAN PROGRAM

To further assist persons of low, moderate and middle income in the purchase of affordable housing within the 2006 Program the Issuer has established a second mortgage loan program entitled Home Key 2nd which consist of Home Key 2nd Mortgage Loans and Home Key 10/30 2nd Mortgage Loans. Home Key 2nd loans will be made available on a first come first serve basis in an amount not to exceed six percent (6%) of the amount of the related Home Key or Home Key 10/30 loan (Home Key 2nd Mortgage Loans may be combined with Home Key Loans and Home Key 10/30 2nd Mortgage Loans may be combined with Home Key 10/30 Loans). The Servicer shall administer and service the Home Key 2nd loans. The Home Key 2nd Mortgage Loan proceeds shall be used for closing costs and/or down payment assistance. A Home Key 2nd can only be originated in connection with the Home Key or Home Key 10/30 2nd Loans. Home Key 2nd Mortgage Loans will bear interest at a 6.95% rate and Home Key 10/30 2nd Mortgage Loans will bear interest at a 7.00% rate. Home Key 2nd loans shall be fully amortized over a thirty (30) year term and have level monthly payments, and Home Key 10/30 2nd loans will be amortized over a ten(10) year period and have level monthly payments. The Home Key 2nd loans shall be evidenced by a promissory note and secured by a second mortgage encumbering the residence being financed with the related first mortgage loan and the Home Key 2nd shall be subordinate only to the first mortgage loan made to the borrower by a Participating Lender under the 2006 Program.

ARTICLE II

ADMINISTRATION OF HOME KEY 2ND LOAN PROGRAM

Section 2.01. Home Key 2nd Loan Funding Procedures.

The Participating Lender shall be responsible for the initial funding of Home Key 2nd loan as set forth below. The Participating Lender shall register eligible homebuyers for Home Key 2nd loan funds via the McWeb system. No homebuyer shall be eligible for more than one Home Key 2nd loan. The Participating Lender must register for the first mortgage Home Key or Home Key 10/30 loan and the Home Key 2nd loan simultaneously. After the loan is credit approved, the Participating Lender's mortgage loan underwriter shall be responsible for completing the standard on line underwriter certification for the first mortgage Home Key or Home Key 10/30 and the Home Key 2nd loan.

Section 2.02. Home Key 2nd Loan Purchase Procedures.

Home Key 2nd loans shall be purchased by the Servicer from the Participating Lender at the face amount of such loans contemporaneously with the Servicer's periodic purchase of the related first mortgage Home Key or Home Key 10/30 loans pursuant to the Origination Agreement. Accrued and unpaid interest shall be adjusted as agreed to between the Participating Lender and Servicer and will be an adjustment to the Home Key 2nd loan purchase amount. The Participating Lender shall include specific Home Key 2nd loan documents (as requested by the Master Servicer) in the file delivered to the Master Servicer. The Master Servicer, through its established monitoring system, shall monitor and review the Borrower's compliance eligibility with the terms and conditions of the Home Key 2nd loans, (as applicable), the Agreement or the Lender Guide as the case may be.

Section 2.03. Assumption Restrictions.

The Master Servicer acknowledges that the Home Key 2nd loans are not assumable and are due and payable upon the occurrence of, among other events, the sale or transfer (whether voluntary, involuntarily or by operation of law) or rental of the property and upon the maturity, acceleration, satisfaction or refinancing of the related first mortgage Home Key or Home Key 10/30 loans made by Participating Lenders and serviced by the Master Servicer in its capacity as Master Servicer.

Section 2.04. Remittances and Reports

(1) The Master Servicer shall provide to the Issuer and U.S. Bank National Association, as Trustee for the 2006 Program (the "Trustee") in a paper copy or in an electronic format as specified by the Issuer and the Trustee the following information:

(a) Monthly, a trial balance of all Home Key 2nd loans. The trial balance shall identify each loan by loan number, borrower name and second mortgage unpaid principle balance. The report shall also include a reconciliation of all activity since the prior reporting period, which shall include a detailed accounting of foreclosed loans and repayments.

(b) Monthly, a remittance report which summarizes the payments forwarded to the Trustee for collection of Home Key 2nd loan payments pursuant to Section 3.03 below. The remittance method will be actual/actual.

(c) Monthly, a report of all Home Key 2nd loans for which the first mortgage loan is in default, bankruptcy or foreclosure from the first of the month to the last Business Day of the month. The Issuer and Trustee shall rely conclusively on the information provided pursuant to this Section 2.04(1) without any obligation to review the information provided therein.

(2) The Master Servicer shall be responsible for the timely and accurate preparation, filing and recording of all mortgage satisfactions for Home Key 2nd loans. The Master Servicer shall only be able to recover the actual costs of filing and recording such mortgage satisfactions. The actual costs of filing and recording shall be recovered from the borrower as part of the pay off. The Master Servicer shall provide the Issuer with timely and accurate reports regarding mortgage satisfactions for Home Key 2nd loans.

(3) The Master Servicer shall administer and service the Home Key 2nd loans in accordance with the terms and provisions of the Agreement.

(4) The Master Servicer shall deal directly with title companies and attorneys requesting payoffs. Funds collected for the Home Key 2nd loan payoffs shall be directed to the Trustee at least monthly.

Section 2.05. Repurchase of Mortgage Loans and Home Key 2nd Mortgage Loans.

The Participating Lender shall be required to repurchase certain Home Key or Home Key 10/30 loans and/or certain Home Key 2nd Loans as set forth in the Origination Agreement. Any event which triggers the Participating Lender's obligation to repurchase the related Home Key or Home Key 10/30 loan shall simultaneously trigger an obligation to repurchase the related Home Key 2nd loan. The Master Servicer shall be responsible for the timely and accurate filing of assignments of mortgages for Home Key or Home Key 10/30 loans repurchased by the Participating Lender in accordance with the Agreement. The Master Servicer shall be responsible for the timely and accurate execution of allonges for the purpose of endorsing the Home Key 2nd promissory note.

ARTICLE III

BILLING, COLLECTON AND DISBURSEMENT DUTIES OF THE SERVICER

Section 3.01. Loan Servicing Guidelines.

The Servicer shall service the qualified Home Key 2nd loans and shall have full power and authority, acting alone, to do any and all things in connection with such servicing that it may deem necessary or desirable and shall exercise at least the same degree of care that it exercises with respect to the servicing of the related Home Key or Home Key 10/30 loans. In servicing each pair of Home Key or Home Key 10/30 loans and Home Key 2nd loans the Servicer shall conform to at least the minimum requirements applicable to the Home Key or Home Key 10/30 loan associated with each Home Key 2nd loan established by either FHA in the case of FHA-insured mortgage loans, or RHS in the case of RHS mortgage loans, HUD in the case of HUD-guaranteed mortgage loans, or Fannie Mae or FHLMC and the applicable Private Mortgage Insurer in the case of conventional mortgage loans, and to the requirements of the GNMA Guide, the Fannie Mae Guides, and the FHLMC Guidelines. Without limiting the generality of the foregoing, the Servicer shall, and is hereby authorized and empowered by the Issuer to execute and deliver, in its own name, on behalf

of itself, with respect to the Home Key 2nd loans and with respect to the properties subject to the mortgages securing such Home Key 2nd loans, any and all instruments, documents, and writings necessary or desirable to file all claims and initiate all proceedings, by foreclosure or otherwise, necessary or appropriate to realize upon the property securing any such Home Key 2nd loan and related Home Key or Home Key 10/30 loan or in satisfaction, cancellation or in part or full release or discharge of such Home Key 2nd loans.

With respect to the Home Key 2nd loans, to the extent the requirements of this Supplement conflict with the FHA, RHS, HUD, GNMA, Fannie Mae, or FHLMC guidelines or regulations, such guidelines or regulations shall control.

As compensation for its servicing activities hereunder and in consideration for servicing the Home Key 2nd loans, the Servicer shall be entitled to a Home Key 2nd Servicing Fee. The Home Key 2nd Servicing Fee shall equal \$150 for each Home Key 2nd loan purchased by the Servicer. This fee shall be payable to the Servicer upon the Servicer's purchase of the related Home Key 2nd loan. The Home Key 2nd Servicing Fee shall be included as part of the Home Key 2nd loan amount and shall be accounted for as a separate line item in the related HUD-1 Settlement Statement. The Home Key 2nd Servicing Fee shall be retained by the Participating Lender at the closing and remitted to the Servicer at such time as the Servicer purchases the related Home Key 2nd loan.

Section 3.02. Billing and Collection.

The Servicer shall implement a payment system by which borrowers will be billed and remit all payments with respect to both first mortgage loans and Home Key 2nd loans in a single monthly payment, pursuant to a single coupon or invoice. If a borrower elects to have withdrawals for payments with respect to both borrower's Home Key or Home Key 10/30 loan and the Home Key 2nd loan under an electronic payment system, Servicer may draw on borrower's amount separately for payments due with respect to the first mortgage loan and the Home Key 2nd loan provided Servicer does so contemporaneously.

The Servicer shall not permit a borrower to implement an electronic payment system for the Home Key or Home Key 10/30 loan unless the borrower simultaneously implements such a system for the Home Key 2nd loan.

All payments received by Servicer with respect to Home Key or Home Key 10/30 loans and Home Key 2nd loans shall first be applied to the Home Key or Home Key 10/30 loan under the terms thereof and then to the Home Key 2nd loan. In the event of a default of a Home Key or Home Key 10/30 loan, the Home Key 2nd loan shall be in default and Servicer shall take whatever action is required to collect the Home Key or Home Key 10/30 loan and Home Key 2nd loan including foreclosure of the property securing the Home Key or Home Key 10/30 loan and the Home Key 2nd loan and a deficiency judgment against the borrower for any amounts not collected on the Home Key or Home Key 10/30 loan and/or the Home Key 2nd loan. Proceeds of any foreclosure, or sale following deed in lieu of foreclosure or other process shall be applied first to the Home Key or

Home Key 10/30 loan and the balance, if any, to the Home Key 2nd loan or any deficiency judgment against borrower in full satisfaction thereof.

Unless the Issuer instructs the Servicer to the contrary, in the event of a default of a Home Key 2nd loan without a default in payment of the corresponding Home Key or Home Key 10/30 loan, the Servicer shall not foreclose a Home Key 2nd loan unless there is a subsequent default and foreclosure of the associated Home Key or Home Key 10/30 loan. Payments due under the defaulted Home Key 2nd loan shall accrue until such time as the Home Key 2nd loan is discharged by a payment, prepayment, foreclosure, sale after conveyance by deed in lieu of foreclosure or other termination in accordance with the terms of the Home Key 2nd loan.

Section 3.03. Remittance of Home Key 2nd Loan Payments.

The Servicer shall collect payments on each Home Key or Home Key 10/30 loan and its accompanying Home Key 2nd loan through a single payment coupon or invoice system that provides for a single sum payment that includes the Home Key or Home Key 10/30 loan payment, the Home Key 2nd loan payment, and any required escrow payments, as well as, any payoffs. Servicer will deposit all payments of principal and interest received on the Home Key 2nd loans in a separate trust account, clearly marked as an account for the benefit of the Trustee under the 2006 Program and insured by the FDIC. The cutoff date will be the 10th of each month. If the 10th falls on a weekend/holiday, the business day prior will be designated as the cutoff date. Servicer shall remit all payments received on Home Key 2nd loans on a monthly basis 5 business days after the cutoff date to the Trustee via the Trustee's electronic cash remittance system to an account designated as the Revenue Account for the Subordinate Bonds or as otherwise directed in the Indenture, as follows:

U.S. Bank – St. Paul, MN
ABA 091000022
A/C U.S. Bank Trust N.A.
A/C 180121167365
Ref A/C _____
Attn Helen Glendenning / 651.495.3805

Such payments shall be consistent with the information provided in Section 2.04(1) hereof.

Notwithstanding the foregoing, in the event any Home Key 2nd loans are purchased by the Servicer as custodian for the Issuer with funds provided by the Issuer outside the 2006 Program, the Servicer shall remit all payments received on such custodial Home Key 2nd loans on a monthly basis 5 business days after the cutoff date to the [Issuer] [Trustee on behalf of the Issuer via the Trustee's electronic cash remittance system] to an account designated as the [Issuer Revenue Account] or as otherwise directed in writing by the Issuer, as follows:

[Insert payment directions]

Section 3.04. Guidelines for Dealing with Delinquencies.

The purpose of all collection efforts is to bring a delinquent loan current in as short a time as possible. Servicer should determine the most effective form of contact with specific mortgagors during the various stages of delinquency. The Issuer expects the Servicer to employ a variety of collection techniques. At a minimum, the Servicer's collection procedures must provide for each of the techniques listed below. The Servicer must document all collection efforts in its mortgage loan file for a mortgage loan. All collection efforts must be in accordance with applicable state and federal laws and regulations. The Servicer's collection procedures must provide for each of the following collection techniques:

- Late notices
- Phone calls
- Letters
- Face-to-face interviews
- Contact with junior lien holders

It is particularly important to address a one-payment delinquency immediately to prevent it from becoming more serious. An early determination of the reason for the delinquency gives the Servicer and the mortgagor time to arrange an acceptable method for curing it. If an agreement cannot be reached, the mortgagor will have time to try to properly dispose of the mortgaged property before foreclosure proceedings are initiated.

Section 3.05. Delinquency of Mortgagor.

In the event that principal and interest and any other charges with respect to any Home Key or Home Key 10/30 loans are not paid on or before the fifteenth (15th) day of the month in which they become due and payable, the Servicer shall notify mortgagor of such delinquency by means of an appropriate letter or other printed transmittal. If full monthly payments of principal, interest and other charges are not paid on or before the first day of the month following the month in which they become due and payable, the Servicer shall notify the mortgagor and Issuer of such delinquency. If, after sixty (60) days from date of delinquency such delinquency is not cured, the Servicer will counsel with the mortgagor in an attempt to cure such delinquency. In the event any mortgagor fails to perform any other covenant or obligation under any Home Key or Home Key 10/30 loan and such failure continues for a period of one (1) month from the time such delinquency comes to the attention of the Servicer, the Servicer on such day shall send to the Issuer a report listing the account numbers and stating in each case the nature and extent of such delinquency and the efforts taken by the Servicer to cause such delinquency to be cured, together with a recommendation as to the future action to be taken in respect thereto. In addition to the statement, reports and recommendations as to delinquency hereinabove required, the Servicer shall send to the Issuer such additional statements, reports and recommendations of the character hereinabove provided, as the Issuer, from time to time, may request.

Section 3.06. Transfers and Assumptions.

Home Key 2nd loans are not transferable or assumable and are due and payable upon sale of the property or upon refinance or payoff of the corresponding Home Key or Home Key 10/30 loan.

Section 3.07. Mortgage Loan Documents.

Servicer shall be the custodian of the Home Key 2nd loan documents delivered to it with respect to each Home Key 2nd loan. So long as the Servicer is servicing any Home Key 2nd loan and related Home Key or Home Key 10/30 loan under the Agreement, the Servicer shall maintain the Home Key 2nd loan documents with respect to each Home Key 2nd loan it services. The Master Servicer shall retain all original Home Key 2nd loan documents in a fire resistant file cabinet in a safe and secure location. Appropriate copies of the Home Key 2nd loan documents shall be maintained in accordance with the Servicer's standard policies and procedures. All Home Key 2nd loan documents shall be kept together and segregated from other loan files maintained by the Servicer and clearly identified as the Home Key 2nd loan documents issued in connection with the 2006 Program.

Section 3.08. Assignment of Servicing Obligations.

The Servicer, with the prior written consent of Issuer, which consent shall not unreasonably be withheld (but which may be conditioned upon the assignee making the representations, warranties and covenants contained in Article II hereof and assuming in writing the assignor's obligations hereunder) and the prior written consent of GNMA, Fannie Mae, and FHLMC, may assign all (but not part) of its servicing rights and obligations pursuant to the Agreement to an Eligible Mortgage Lender or Affiliate (as defined in the Agreement) to act as Servicer of the mortgage loans provided however that each pair of Home Key or Home Key 10/30 loan and Home Key 2nd loans shall be assigned together and the new Servicer shall agree to joint servicing in accordance with the Agreement and this Supplement. Any agreement to assign servicing rights and obligations shall provide that the assignee must assume the servicing obligations of the Agreement and this Supplement with respect to the assigned Home Key or Home Key 10/30 loans for the same Servicing Fee that would otherwise have been paid to the assignor.

ARTICLE IV

CUSTODIAL AGREEMENT

Section 4.01. Custodial Arrangement.

The Servicer hereby agrees to serve as custodial agent and warehouse certain Home Key 2nd loans for the Issuer from time to time, when requested by the Issuer. The custodial Home Key 2nd loans shall consist of those Home Key 2nd loans originated with funds provided by the Issuer as opposed to funds provided through the Issuer's multi-county single family housing revenue bond

program during the times in which funds are not otherwise available to originate Home Key 2nd loans. The Servicer agrees to warehouse and retain principal and interest payments on the custodial Home Key 2nd loans as reimbursement for a portion of the Servicer's funds utilized to originally purchase such loans from the originating lender until such time as the next successive series of single family housing revenue bonds are issued, or until such earlier time as the Issuer delivers to the Servicer the purchase price of the custodial Home Key 2nd loans. The Service will deliver the custodial Home Key 2nd loans to the Trustee or the Issuer, as applicable, upon their purchase at the amortized principal balance thereof, which purchase can occur on any date and without regard to the payment date on the custodial Home Key 2nd loan. In the event the Issuer (rather than the Trustee) delivers to the Servicer the purchase price for the custodial Home Key 2nd loans, the Servicer agrees to hold such custodial Home Key 2nd loans as custodial agent for the Issuer and agrees to continue to service such custodial Home Key 2nd loans in accordance with this Agreement. Following the purchase of the custodial Home Key 2nd loan by either the Trustee or the Issuer, after the date of such purchase, the Servicer shall remit the payments of principal and interest on the Home Key 2nd loan in accordance with Section 3.03 hereof.

Section 4.02. Terms of Custodial Home Key 2nd Loans.

The custodial Home Key 2nd loans purchased in accordance with this Article IV shall bear such terms and conditions as are designated in writing, from time to time, by the Issuer to the Servicer. The terms may incorporate the terms applicable to Home Key 2nd loans to be originated as part of a specific series of the Issuer's single family housing revenue bonds, and such designation may be by way of assigning the custodial Home Key 2nd loans to a specific series of the Issuer's single family housing revenue bonds.

ARTICLE V

GENERAL

Section 5.01. Modification.

Except as specifically modified hereby, all terms, definitions, covenants, representations, warranties, obligations or other understandings set forth in the Agreement shall remain in full force and effect and are hereby ratified and confirmed. To the extent of an inconsistency between the terms and conditions of the Agreement and this Supplement, the terms and conditions of this Supplement as it relates to a Home Key 2nd loan shall be controlling. The Issuer and Servicer acknowledge that the Agreement, as modified herein is in full force and effect and is binding upon the parties and their successors and assigns.

Section 5.02. Counterparts.

This Supplement may be executed in any number of counterparts, each of which, when

executed and delivered, shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

Section 5.03. Capitalized Terms.

All capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Agreement.

Section 5.04. Severability.

This Supplement shall continue in full force and effect until all Home Key 2nd loans serviced under this Supplement have been paid or otherwise discharged.

Section 5.05. Limitation of Liability.

This Supplement is entered into by the Issuer under and pursuant to the provisions of the Act. No provision hereunder shall be construed to impose any personal pecuniary liability upon the Issuer's members, officers, employees, advisors or attorneys.

[Remainder of page left intentionally blank]

[Signature page to Supplement to Program Administration and Servicing Agreement]

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

U.S. BANK N.A.

By: _____

Name: Lawrence A. Ball

Title: Vice President

[Signature page to Supplement to Program Administration and Servicing Agreement]

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