

BMO Draft #1
#25040.012
11/__/2009

MASTER TRUST INDENTURE

By and Between

FLORIDA HOUSING FINANCE CORPORATION

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee

Dated as of December 1, 2009

Relating to:

Florida Housing Finance Corporation
Homeowner Mortgage Revenue Bonds
(Special Program)
Various Series

TABLE OF CONTENTS

	PAGE
ARTICLE I DEFINITIONS.....	4
Section 1.01 Meaning of Words and Terms.....	4
Section 1.02 Miscellaneous Definitions.....	22
Section 1.03 Requirement of Signed Writing.....	23
ARTICLE II FORM, EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS	23
Section 2.01 Authorization of Bonds.....	23
Section 2.02 Series Supplements.....	25
Section 2.03 Conditions Precedent to the Issuance of the Bonds.....	27
Section 2.04 Provisions for Refunding Bonds.....	28
ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS.....	30
Section 3.01 Medium of Payment; Form and Date.....	30
Section 3.02 Legends.....	31
Section 3.03 Execution and Authentication.....	31
Section 3.04 Registration, Transfer and Exchange of Bonds, Persons Deemed Owner.....	31
Section 3.05 Record Date; Special Record Date.....	34
Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost.....	34
Section 3.07 Temporary Bonds.....	34
Section 3.08 Cancellation.....	35
Section 3.09 Instruments of Further Assurance.....	35
ARTICLE IV REDEMPTION, PURCHASE OR TENDER OF BONDS	36
Section 4.01 Privilege of Redemption and Redemption Prices.....	36
Section 4.02 Redemption at the Election or Direction of the Issuer.....	36
Section 4.03 Redemption Other than at the Issuer's Election or Direction.....	36
Section 4.04 Selection of Bonds to be Redeemed by Lot.....	36
Section 4.05 Notice of Redemption, Purchase or Tender.....	37
Section 4.06 Payment of Redeemed Bonds.....	38
Section 4.07 Redeemed Bonds as Satisfaction of Sinking Fund Installments.....	38
Section 4.08 Redemption of Insured Bonds from Certain Payments.....	39
Section 4.09 Sale of Guaranteed Mortgage Securities.....	39
ARTICLE V ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF	40
Section 5.01 Pledges and Perfection of Security Interest.....	40
Section 5.02 Program Fund and Accounts.....	41
Section 5.03 Deposit of Bond Proceeds and Other Moneys.....	41
Section 5.04 Cost of Issuance Accounts.....	41
Section 5.05 Capitalized Interest Accounts.....	42
Section 5.06 Acquisition Accounts.....	42
Section 5.07 Cost of Remarketing Accounts.....	43
Section 5.08 Establishment of Other Funds.....	43

Section 5.09	Deposits.....	45
Section 5.10	Custody of Revenue Fund and Transfer Therefrom.	46
Section 5.11	Debt Service Fund.	47
Section 5.12	Debt Service Reserve Fund.....	49
Section 5.13	Mortgage Reserve Fund.....	51
Section 5.14	Redemption Fund.....	52
Section 5.15	Subordinated Debt Service Fund.	54
Section 5.16	Rebate Fund.....	55
Section 5.17	Proceeds Fund.....	56
Section 5.18	Administration Fund.	56
Section 5.19	Accumulation Fund.....	57
Section 5.20	Priority of Payments.....	58
Section 5.21	Redemption of Subordinated Bonds When No Senior Bonds Outstanding.	59
Section 5.22	Creation of Funds and Accounts in Supplemental Indentures.....	59
Section 5.23	Collateral Fund.	59
ARTICLE VI SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS.....		61
Section 6.01	Security for Deposits.	61
Section 6.02	Investment and Deposit of Funds.	61
Section 6.03	Liability of the Fiduciaries for Investments.	63
ARTICLE VII PARTICULAR COVENANTS.....		63
Section 7.01	Payment of Bonds.....	63
Section 7.02	Subordinated Bonds; Convertible Option Bonds; Short-Term Bonds.	63
Section 7.03	Offices for Payment and Registration of Bonds.	65
Section 7.04	Further Assurances.....	65
Section 7.05	Power to Issue Bonds and Make Pledges.....	65
Section 7.06	No Extension of Maturities.	66
Section 7.07	Covenant Against Encumbrances.	66
Section 7.08	Cash Flow Statements.	66
Section 7.09	Tax Covenants.....	67
Section 7.10	Enforcement of Rights Under Mortgage Loans, Program Related Loans and Guaranteed Mortgage Securities.	68
Section 7.11	Maintenance of Existence.	68
Section 7.12	Provisions Relating to Remarketing.	68
Section 7.13	Annual Audit and Report; Special Report.....	69
Section 7.14	Recordation of the Indenture and Filing of Security Instruments if Required.....	70
Section 7.15	Program Covenants.....	70
Section 7.16	Issuance of Additional Obligations.....	72
Section 7.17	Personnel and Servicing of Program.	72
Section 7.18	Providing Information to Rating Agency.	73
ARTICLE VIII FIDUCIARIES.....		73
Section 8.01	Trustee and Depositories; Appointment and Acceptance of Duties.....	73
Section 8.02	Registrar and Paying Agents; Appointment and Acceptance of Duties.	74

Section 8.03	Responsibilities of Fiduciaries.	75
Section 8.04	Evidence on Which Fiduciaries May Act.	75
Section 8.05	Compensation of Fiduciaries.	76
Section 8.06	Permitted Acts and Functions.....	77
Section 8.07	Resignation of Trustee.	77
Section 8.08	Removal of Trustee.....	77
Section 8.09	Appointment of Successor Trustee.	78
Section 8.10	Transfer of Rights and Property to Successor.	78
Section 8.11	Merger, Conversion or Consolidation.	79
Section 8.12	Resignation or Removal of Registrar, Depositories and Paying Agents and Appointment of Successors.....	79
Section 8.13	Appointment of Co-Trustee.	79
Section 8.14	Monthly Statements from Fiduciaries.	80
Section 8.15	Recordkeeping.	81
Section 8.16	Rights of Holders of Subordinated Bonds.	81
Section 8.17	Liability of Trustee.	81
ARTICLE IX SERIES SUPPLEMENTS		81
Section 9.01	Series Supplements and Related Instruments Without Consent of Bondholders.....	81
Section 9.02	Supplemental Indentures Effective with Consent of Bondholders.	83
Section 9.03	General Provisions Relating to <i>Series Supplements</i> , Supplemental Indenture and Related Instruments.	83
ARTICLE X AMENDMENTS OF INDENTURE		84
Section 10.01	Powers of Amendment.	84
Section 10.02	Consent of Bondholders.	85
Section 10.03	Modifications by Unanimous Consent.....	85
Section 10.04	Mailing.	86
Section 10.05	Exclusion of Bonds.	86
Section 10.06	Notation on Bonds.....	86
ARTICLE XI DEFAULTS AND REMEDIES		86
Section 11.01	Events of Default.	86
Section 11.02	Remedies.....	87
Section 11.03	Priority of Payments after Default.	88
Section 11.04	Termination of Proceedings.	90
Section 11.05	Bondholders' Direction of Proceedings.....	90
Section 11.06	Limitations on Rights of Bondholders.....	90
Section 11.07	Possession of Bonds by Trustee Not Required.....	91
Section 11.08	Remedies Not Exclusive.	91
Section 11.09	No Waiver of Default.	92
Section 11.10	Notice of Event of Default.	92
Section 11.11	Rights of Holders of Subordinated Bonds.	92
ARTICLE XII EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS.....		92

Section 12.01	Evidence of Signatures of Bondholders and Ownership of Bonds.	92
ARTICLE XIII DEFEASANCE		93
Section 13.01	Defeasance.	93
ARTICLE XIV MISCELLANEOUS.....		95
Section 14.01	Successorship of Issuer; Effect of Covenants; Construction of Indenture.....	95
Section 14.02	Manner of Giving Notice.....	95
Section 14.03	Parties and Bondowners Alone Have Rights Under Indenture.....	96
Section 14.04	Effect of Partial Invalidity.	96
Section 14.05	Substitute Publication or Mailing.....	96
Section 14.06	Headings, Table of Contents and Notes for Convenience Only.	96
Section 14.07	Payment Due on Weekends and Holidays.	97
Section 14.08	Security Instrument.....	97
Section 14.09	Counterparts.	97

MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE (the "Indenture"), dated as of December 1, 2009, by and between the Florida Housing Finance Corporation, a public corporation and public body corporate and politic of the State of Florida (together with its successors and assigns, the "Issuer" or "Florida Housing"), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with a designated trust office located in Jacksonville, Florida, as trustee, together with its permitted successors and assigns (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer has been established pursuant to the Florida Housing Finance Corporation Act, *as amended* (the "**Act**"), Florida Statutes, Sections 420.501 *et seq.*, and is authorized thereby to issue its notes and bonds from time to time to fulfill its public purposes, which include the purchase of mortgage-backed securities backed by mortgage loans originated by lending institutions to finance the construction of, and to facilitate the purchase and sale of existing, residential housing for persons or families of low, moderate or middle income; and

WHEREAS, the Issuer has determined that there is a serious shortage of decent, safe and sanitary housing in the State of Florida (the "State") available to persons or families of low, moderate or middle income and a shortage of funds from private sources to alleviate such shortage; and

WHEREAS, pursuant to the Act, the Issuer is authorized to carry out the public purposes described therein by authorizing the issuance of bonds to finance the origination of home mortgages and by pledging obligations secured by such mortgages as security for payment of the principal of and interest on such bonds, and by entering into any agreements made in connection therewith; 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 State, which constitutes a valid public purpose for the issuance of revenue bonds under the Act, the Issuer has developed a program (the "Program") to issue from time to time its Homeowner Mortgage Revenue Bonds (Special Program) in one or more series (collectively, the "Bonds") to finance the origination of home mortgages and to provide for the securing thereof under and pursuant to this Indenture; and

WHEREAS, all things necessary to make such Bonds when issued and authenticated by the Trustee as provided in this Indenture, the valid, binding and legal limited obligations of the Issuer according to the import thereof and to constitute this Indenture a valid pledge and assignment of the assets and revenues securing the payment of the Bonds to be issued

hereunder and the creation, execution and delivery of this Indenture have been done or performed; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof; and

WHEREAS, the parties hereto intend this Indenture to govern and authorize the issuance, sale, delivery and administration of various series of Homeowner Mortgage Revenue Bonds (Special Program) to be issued from time to time and at any time, at the option of the Issuer.

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the bonds to be issued hereunder (the "Bonds") by the holders and owners thereof, and (A) in order to secure the payment of the principal and Redemption Price of, premium, if any, and interest on the Senior Bonds (as defined herein) and, if applicable, the purchase price of Senior Bonds that are Tender Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed herein and in the Senior Bonds, does hereby, on the terms herein provided and subject to the provisions hereof permitting the application of amounts held hereunder and the exercise of the rights in connection with certain properties, pledge and assign unto, and grant a security interest in and to, the Trustee, and its respective successors in trust and their respective assigns, forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth, all right, title and interest of the Issuer, now or hereafter acquired, in and to the Pledged Property (hereinafter defined) to the payment of the principal of, Redemption Price of and interest on the Senior Bonds and, if applicable, the purchase price of Senior Bonds that are Tender Bonds, in accordance with the terms and provisions of this Indenture and the Trustee is hereby granted a security interest therein subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture; (B) in order to secure the payment of the principal and Redemption Price of, premium, if any, and interest on the Subordinated Bonds and, if applicable, the purchase price of Subordinated Bonds that are Tender Bonds, according to their tenor and effect and the performance and observance by the Issuer of all covenants expressed herein and in the Subordinated Bonds, does hereby, on the terms herein provided and subject to the prior pledge of and security interest in the Subordinated Debt Service Fund in favor of the owners of the Senior Bonds and to the provisions of **Section 7.02** hereof, pledge and assign to, and grant a security interest in and to the Trustee, and its respective successors in trust and their respective assigns, forever, the Subordinated Debt Service Fund, including the investments therein and the proceeds of such investments, if any, to the payment of the principal of, Redemption Price of and interest on the Subordinated Bonds and, if applicable, the purchase price of Subordinated Bonds that are Tender Bonds, in accordance with the terms and provisions of this Indenture; and (C) in order to secure payment of the principal of, Redemption Price of, premium, if any, and interest on and, if applicable, the purchase price on the respective series of Convertible Option Bonds or Short-Term Bonds, as applicable, according to their tenor and effect and the performance and observance by the Issuer of all covenants expressed herein

and in such Convertible Option Bonds or Short-Term Bonds, does hereby, on the terms provided herein, pledge, and assign to and grant a security interest in and to the respective Proceeds Fund and any escrow account created in accordance with **Section 5.08** hereof, to the Trustee, and its respective successors in trust and their respective assigns, forever, solely to the payment of the principal, redemption, purchase or tender premium, if any, and interest on the respective Series of Convertible Option Bonds or Short-Term Bonds, as applicable, and not otherwise.

TO HAVE AND TO HOLD the same (in accordance with and subject to the provisions of this Indenture); whether now owned or hereafter acquired, unto the Trustee and its respective successors and assigns in trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust herein set forth for the equal and proportionate benefit, security and protection of all present and future holders and owners of any and all the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, privilege, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Indenture or expressly provided in a *Series Supplement* with respect to Insured Bonds, Tender Bonds, Convertible Option Bonds, Short-Term Bonds or Subordinated Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall pay, or cause to be paid, the principal of, premium, if any, and interest on, the Bonds, due or to become due, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon (or such amount as will with investment income thereon equal such entire amount as provided in **Article XIII** hereof), and shall keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions therefor as provided herein, this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture to be and remain in full force and effect.

THIS MASTER TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interest, including, without limitation, the amounts and property hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms and conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners from time to time, of the Bonds, or any part thereof, as follows:

ARTICLE I DEFINITIONS

Section 1.01 Meaning of Words and Terms. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

"Account" means an Account created and established by **Article V**, a Supplemental Indenture or by a *Series Supplement*.

"Accumulation Account" means an Accumulation Account created and established by **Section 5.08**.

"Accumulation Fund" means the Accumulation Fund created and established by **Section 5.08**.

"Acquisition Accounts" means the Acquisition Accounts in the Program Fund created and established pursuant to **Section 5.02**.

"Act" means the Florida Housing Finance Corporation Act, **Sections 420.501 et seq.** as amended from time to time.

"Administration Fund" means the Administration Fund created and established by **Section 5.08**.

"Aggregate Debt Service" means, with respect to any particular time and as of any particular date of computation, the sum of the Debt Service for such Bond Year with respect to all Series of Bonds Outstanding except for any Convertible Option Bonds and Short-Term Bonds.

"Authorized Officer" means the Chairman, Vice Chairman, Secretary, any member of the Board of the Issuer its Executive Director and any other officer or employee of the Issuer authorized by resolution of the Issuer (a copy of which will be provided to the Trustee to perform the act or sign the document in questions).

"Bond Counsel" means such attorney or firm of attorneys selected by the Issuer which is nationally recognized to deliver opinions with respect to the validity of issuance of obligations by state and local governmental entities and, if applicable, with respect to the exclusion of interest on such obligations from gross income for federal income tax purposes whose opinions are generally accepted by purchasers of municipal bonds.

"Bond" or "Bonds" means any Senior Bond or Bonds or any Subordinated Bond or Bonds or any Convertible Option Bond or Bonds, or any Short-Term Bond or Bonds or the issue of

Senior Bonds or Subordinated Bonds or Convertible Option Bonds or Short-Term Bonds, as the case may be, authorized by this Indenture and issued pursuant to a *Series Supplement*.

"Bondholder" or "Holder" or "Holder of Bonds" or any similar term (when used with respect to Bonds) means the registered owner of any Outstanding Bond or Bonds.

"Bond Year" means the period from the date of issuance of the respective Series of Bonds until the following January 1 and thereafter from January 2 through January 1 of each subsequent year, unless otherwise specified as such in a *Series Supplement*.

"Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in New York, New York or the city in which the designated corporate trust office of the Trustee is located, are authorized or obligated by law or executive order to be closed for business, or (c) if the context relates to an action in which the applicable Investment Agreement Provider must participate, a day on which the applicable Investment Agreement Provider for a particular Series of Bonds is closed for business.

"Capital Appreciation Bonds" means Bonds, the interest on which shall be (i) compounded periodically, (ii) payable only at maturity or redemption prior to maturity and (iii) determined by subtracting compounded amounts from the original principal amount of each Bond, as provided in the applicable *Series Supplement*.

"Capitalized Interest Accounts" means the Capitalized Interest Accounts created and established in the Program Fund pursuant to **Section 5.02**.

"Cash Flow Statement" means a Cash Flow Statement conforming to the requirements of **Section 7.08**.

"Certificate of an Accountant" means a certification or verification pursuant to agreed upon procedures rendered by an independent certified public accountant, licensed under the laws of a state and possessing sufficient experience or expertise in matters of the nature concerning which the statements contained in such Certificate are made in order to be able to render such Certificate.

"Code" means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or Internal Revenue Service, to the extent applicable to the Bonds.

"Collateral Fund" means the Collateral Fund created by **Section 5.08**.

"Collateral Fund Requirement" means, as of any date of calculation and with respect to a Series of Bonds, the amount, if any, specified as such in the *Series Supplement* pursuant to which such Series of Bonds is issued.

"Commitment Fee" means any commitment fee paid by or on behalf of a Lender to the Issuer pursuant to a **[Master Mortgage Purchase Agreement.]**

"Conventional Mortgage Loan" means a Mortgage Loan or Program Related Loan which is not FHA Insured, VA Guaranteed or the subject of an RD Guaranty.

"Convertible Option Bonds" means Tender Bonds of a Series that are secured only by the applicable Proceeds Fund, an escrow account or a similar financial arrangement and are not secured by any other Fund or Account created under this Indenture and are so designated by a *Series Supplement*, which Convertible Option Bonds may be issued without the necessity of obtaining a rating thereon.

"Costs of Issuance" means all items of expense payable or reimbursable directly or indirectly by the Issuer and related to the authorization, sale and issuance of the Bonds, as certified by an Authorized Officer or as provided by an exhibit to a *Series Supplement*, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary and other private parties performing services for the Issuer or under this Indenture or one or more *Series Supplements* in connection with the issuance or payment of Bonds, legal fees, expenses and disbursements, fees and disbursements of consultants and professionals, bond discount and other financing costs (if not otherwise provided for), initial Credit Facility Fees, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding and redemption, costs of any verification report and any other cost, charge or fee in connection with the original issuance of Bonds. Costs of Issuance may be payable from Bond proceeds or from other funds available to the Issuer.

"Cost of Issuance Accounts" means the Cost of Issuance Accounts in the Program Fund created and established pursuant to **Section 5.02** and each *Series Supplement*.

"Costs of Remarketing" means expenses related to the remarketing of Tender Bonds, which expenses include, but shall not be limited to, printing costs, costs of reproducing documents, filing and recording fees, costs of credit rating, costs of any verification report, premiums or other charges for Credit Facilities, fees and charges of remarketing agents, the Trustee and other Fiduciaries, legal fees, expenses and disbursements, professional consultants' fees and disbursements, reimbursement to the Issuer and its agents for administrative, travel and overhead expenses, bond discount and all other costs, charges, fees and expenses in connection with the foregoing.

"Cost of Remarketing Accounts" means the Cost of Remarketing Accounts in the Program Fund created and established pursuant to a *Series Supplement* in accordance with **Section 5.02** hereof.

"Co-Trustee" means a Co-Trustee, if any, appointed by and designated in a *Series Supplement*.

"Counsel's Opinion" means an opinion signed by any attorney or firm of attorneys (who may be counsel to or otherwise employed or retained by, the Issuer or an attorney employed or retained by the Trustee) licensed to practice in the State (and if the opinion is with respect to an interpretation of federal tax laws or regulations, is also a nationally recognized attorney or firm of attorneys experienced in such matters), selected by the Issuer.

"Credit Facility" means a letter of credit, bond insurance policy, credit commitment, line of credit, guaranty, surety bond or other credit facility, issued with respect to any Bonds by a state chartered banking corporation or trust company, national banking association or other financial institution or any insurance company having any outstanding long-term senior unsecured and uninsured obligations rated or assessed in the highest rating category by each Rating Agency.

"Credit Facility Fee" means any fee payable by the Issuer with respect to any Credit Facility.

"Debt Service" means, with respect to any particular Bond Year and any Series of Bonds, an amount equal to the sum of (a) all interest payable during such Bond Year on such Bonds Outstanding plus (b) the Principal Installment or Installments during such Bond Year on such Bonds Outstanding, all calculated on the assumption that Bonds Outstanding on the day of calculation will cease to be Outstanding by reason of, but only by reason of, payment upon maturity and application of all Sinking Fund Installments in accordance with this Indenture and the *Series Supplement* establishing such Sinking Fund Installments. In the event that the Issuer issues Bonds bearing interest at a variable rate, "Debt Service" with respect to such Bonds will be based on the assumptions as set forth in the *Series Supplement* pursuant to which such Bonds are issued. Payment of interest or any Principal Installment shall be excluded from the determination of Debt Service to the extent that such interest or Principal Installment is to be paid from the proceeds of Bonds or other available moneys held by the Trustee hereunder or in an Escrow Deposit Agreement or from investment (but not reinvestment) earnings thereon if such proceeds or moneys shall have been invested in Permitted Investments, but only to the extent that such earnings may be determined precisely.

"Debt Service Accounts" means the Debt Service Accounts in the Debt Service Fund created and established by **Section 5.08** and Supplemental Indenture or *Series Supplement*.

"Debt Service Fund" means the Debt Service Fund created and established by **Section 5.08**.

"Debt Service Requirement" means the Senior Debt Service Requirement plus the Subordinate Debt Service Requirement.

"Debt Service Reserve Accounts" means the Debt Service Reserve Accounts in the Debt Service Reserve Fund created and established pursuant to **Section 5.08** and any Supplemental Indenture or *Series Supplement*.

"Debt Service Reserve Fund" means the Debt Service Reserve Fund created and established by **Section 5.08**.

"Debt Service Reserve Fund Requirement" means, as of any date of calculation, an amount equal to the sum of all amounts, if any, specified as such in the applicable *Series Supplements* for all Series of Bonds Outstanding as of such date of calculation.

"Deep Subsidy Program Loan Funds" means moneys (other than Bond proceeds) applied pursuant to a *Series Supplement* to provide Deep Subsidy Program Loans.

"Depository" means the Trustee, acting as Depository, or any bank, trust company or national banking association designated or appointed pursuant to **Section 8.01(b)** and the applicable *Series Supplement*.

"Escrow Deposit" means a deposit under an escrow or other similar arrangement for the benefit of the Trustee of Permitted Investments in an amount (including the amount of any surety bond) equal at the time of deposit to the amount required in any *Series Supplement* in connection with the issuance of a Series of Bonds provided that the Depository under such arrangement shall be an institution having the qualifications set forth in **Section 8.01(b)**.

"Event of Default" means any of the events of default described in **Section 11.01**.

"Extraordinary Expenses" means reasonable expenses of the Trustee (other than Ordinary Expenses) including reasonable fees and disbursements of attorneys or agents retained by, or employees hired by the Trustee to assist it in exercising its powers and its duties under this Indenture, whether or not such assistance is related to litigation or any trial or appeal resulting therefrom, which Extraordinary Expenses shall be limited to the extent set forth with respect to each Series of Bonds as set forth in the applicable *Series Supplement*.

"Fannie Mae" or "FNMA" means the Federal National Mortgage Association, a corporation organized and existing under the laws of the United States of America, or any successors or assigns.

"Fannie Mae Securities" or "FNMA Securities" means single pool, guaranteed mortgage pass-through Fannie Mae Mortgage-Backed Securities, issued by Fannie Mae and guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans.

"FHA" means the Federal Housing Administration of the United States Department of Housing and Urban Development, or other agency or instrumentality created or chartered by the United States of America to which the powers of the Federal Housing Administration have been transferred.

"FHA Insurance" means FHA mortgage insurance issued by the FHA under one of its insurance programs pursuant to the provisions of the National Housing Act, particularly

Sections 203(b) (Home Unsubsidized), 203(k), 203(h), 221(d)(2) and 234(c) (Condominium Ownership) or any other FHA insurance program approved by the Issuer.

"FHA Insured" means insured under FHA Insurance.

"Fiduciary" means the Trustee, any Co-Trustee, the Registrar and each Paying Agent and Depository and any other person designated as a Fiduciary in a *Series Supplement*.

"Fiscal Year" or "fiscal year" means each twelve month period beginning October 1 of each calendar year.

"FHLMC" or "Freddie Mac" means the Federal Home Loan Mortgage Corporation.

"FHLMC Securities" or "Freddie Mac Securities" means mortgage participation certificates issued by FHLMC and representing an undivided interest in a pool of Conventional Mortgage Loans identified by particular alphanumeric numbers and CUSIP number and guaranteed as to timely payment of principal and interest by FHLMC.

"Fund" means a fund created and established or authorized to be created by **Article V**.

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

"GNMA Guaranty" means the guaranty of GNMA set forth on each of the GNMA Certificates (unless in book-entry form) pursuant to which GNMA has agreed to guarantee the timely payment of GNMA Certificates.

"GNMA Certificates" means securities issued by a Servicer and guaranteed by GNMA pursuant to its GNMA I or GNMA II mortgage-backed securities program under Section 306(g) and other related provisions of the National Housing Act.

"Government Obligations" means obligations (including obligations issued or held in book-entry form on the books of the U.S. Department of the Treasury or the Federal Reserve System) of the United States of America or as to which the principal thereof and interest thereon are guaranteed by the United States of America.

"Guaranteed Mortgage Securities" means obligations representing undivided beneficial ownership interests (unless any other interest therein is allowed by the Act) in Mortgage Loans, which obligations are issued by or guaranteed by GNMA, Fannie Mae or FHLMC (as specified in a *Series Supplement*) or, to the extent set forth in a *Series Supplement*, any other agency or instrumentality of or chartered by the United States to which the powers of any of the above have been transferred or which have similar powers to purchase or guarantee timely payment of mortgage loans.

"Indenture" means this Master Trust Indenture and any amendments or supplements made in accordance with **Articles IX** and **X**.

"Insurance Proceeds" means payments received with respect to the Mortgage Loans or Program Related Loans under any insurance policy or guarantee or under any fidelity bond or pursuant to a transfer of amounts held in the Mortgage Reserve Accounts.

"Insured Bonds" means Bonds of a Series which are secured by a policy of Municipal Bond Insurance.

"Interest Payment Date" means, with respect to all Bonds which are scheduled to pay interest on a semiannual basis, January 1 and July 1 of each year in which interest on any Bonds is due and payable (or such other dates as may be specified in a *Series Supplement* relating to Bonds which are scheduled to pay interest on other than a semi-annual basis).

"Investment Agreement" means an Investment Agreement, pursuant to which the Trustee shall at the written direction of the Issuer invest certain money held in funds and accounts held under this Indenture identified therein. Investment Agreement shall also mean any substitute investment agreement provided with respect to funds and accounts established pursuant to this Indenture, provided that any such Investment Agreement must be provided by an entity or guaranteed by an entity (including an affiliate of the Trustee) acceptable to the applicable Rating Agency as acknowledged in writing by such Rating Agency, which acknowledgment shall include a confirmation by the Rating Agency that the substitution of investment agreement will not cause a reduction or withdrawal of the then current rating on the applicable Series of Bonds. The Trustee shall notify the applicable Rating Agency of the substitution of any Investment Agreement hereunder, which shall be accompanied by an opinion of counsel to the provider of such substitute Investment Agreement, in form acceptable to the applicable Rating Agency, as to the enforceability of such substitute Investment Agreement.

"Issuer" means the Florida Housing Finance Corporation, a public corporation and public body corporate and politic of the State of Florida, organized and existing under the Act and any successors to its rights, duties and obligations hereunder.

"Issuer Fee" means the sum of (i) the periodic fee of the Issuer plus (ii) the out of pocket expenses relating to the administration of the Program for each Series as set forth in the respective *Series Supplement*, the payment of which is supported by a Cash Flow Statement.

"Lender" means any lending institution approved by the Issuer for participation in the Program who shall finance or originate Mortgage Loans or Program Related Loans, and/or sell Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities to another Lender, the Servicer, the Trustee or the Issuer in connection with the issuance of Bonds hereunder.

"Letter of Credit" means an unconditional and irrevocable letter of credit issued by a bank, bank holding company, trust company or other financial institution (including any

Fiduciary) whose senior debt (or whose parent holding company's senior debt) is rated in the highest applicable rating category by the Rating Agency, and which permits the Trustee to draw thereunder upon certification of the occurrence of an event contemplated by a *Series Supplement* as giving rise to such draw, including without limitation, to satisfy the requirements specified in a *Series Supplement*. Any Letter of Credit expiring prior to the final maturity of the Bonds of the applicable Series shall provide that the Trustee shall draw thereon if a replacement for, or extension of, such Letter of Credit is not deposited with the Trustee at least thirty (30) days prior to such expiration.

"Liquidation Proceeds" means amounts (other than Insurance Proceeds) received in connection with the liquidation of a defaulted Mortgage Loan, whether through foreclosure, trustee's sale, repurchase by a Lender, or otherwise.

"Mortgage Loan" means any loan underlying Guaranteed Mortgage Securities originated, financed or purchased in accordance with the requirements of this Indenture, the applicable *Series Supplement* and the Mortgage Purchase Agreement, evidenced by a note and secured by a first mortgage and any Supplemental Indenture or *Series Supplement*.

"Mortgage Purchase Agreement" means the **[Master Mortgage Purchase Agreement, dated as of December 17, 2004 or June 1, 2005 among the Issuer, the Servicer and each Lender, as supplemented and amended]** relating to the origination and sale of Mortgage Loans and/or Program Related Loans financed with proceeds of Bonds, as specified in a *Series Supplement*.

"Mortgage Pool Insurance" means a policy of insurance issued by a Private Mortgage Insurer providing for coverage of loss realized as a result of default in payment of principal of and interest on a Program Related Loan as provided in the applicable *Series Supplement*.

"Mortgage Reserve Accounts" means the Mortgage Reserve Accounts in the Mortgage Reserve Fund created and established pursuant to **Section 5.08**.

"Mortgage Reserve Fund" means the Mortgage Reserve Fund created and established by **Section 5.08**.

"Mortgage Reserve Fund Requirement" means, as of any date of calculation, an amount equal to the sum of all amounts, if any, specified as such in the *Series Supplements* for all Series of Bonds Outstanding as of such date of calculation.

"Municipal Bond Insurance" means a policy of Municipal Bond Insurance securing and applicable to a particular Series of Bonds (and no others) as authorized by and described in the applicable *Series Supplement*.

"National Housing Act" means the National Housing Act of 1937, as amended, 12 U.S.C. 1716 et seq.

"Officer's Certificate" means a certificate executed by an Authorized Officer; provided, however, that any requirement that may be satisfied or fulfilled by an Officer's Certificate may also be satisfied or fulfilled by a *Series Supplement* or a Supplemental Indenture, as appropriate, to the same extent as if such an Officer's Certificate had been provided. The Trustee shall be entitled to rely on the information contained in and any representations and certifications made in any Officer's Certificate without any duty of investigation and shall be entitled to seek clarification from the Issuer, on which the Trustee may conclusively rely.

"Optional Redemption Accounts" means the Optional Redemption Accounts in the Redemption Fund created and established in **Section 5.08**.

"Ordinary Expenses" means postage, long distance telephone charges, copies, telefaxing charges, courier services, stationery, supplies, printing and forms and similar expenses incurred by the Trustee or a Co-Trustee in the normal course of business in amounts which shall not exceed (a) any limit thereon established by the respective *Series Supplement*, or (b) the amount specified in the most recent Cash Flow Statement, as applicable.

"Outstanding" when used with reference to Bonds and unless a different meaning is specified in a *Series Supplement*, means, as of any date, Bonds theretofore or then being delivered under the provisions of this Indenture, except: (a) any Bonds canceled by the Trustee or any Paying Agent at or prior to such date as provided herein, (b) Bonds for the payment or redemption of which moneys equal to the Principal Amount, Redemption Price or purchase price (in the case of undelivered Tender Bonds), as the case may be, with interest to the date of maturity or redemption date, as the case may be, shall be held by the Trustee or the Paying Agents in trust (whether at or prior to the date of maturity or purchase or redemption), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as in **Article IV** provided or provisions satisfactory to the Trustee shall have been made for the giving of such notice, (c) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to **Article III** or Section 4.06, and (d) Bonds deemed to have been paid as provided in **Section 13.01**.

"Paying Agent" means the Trustee, acting as paying agent, or any other bank, trust company or national banking association designated or appointed pursuant to Sections 7.03 and 8.02 to act as a paying agent for the Bonds, and each successor or successors and any other bank, trust company or national banking association at any time substituted in its place pursuant to this Indenture.

"Permitted Encumbrances" means with respect to Mortgage Loans or Program Related Loans (a) intervening liens of contractors, subcontractors, suppliers of materials and equipment and laborers as to which, by a bond or letter of credit or other lawful means acceptable to the Issuer, indemnity has been provided or similar steps to secure the interest of the Issuer have been taken, (b) ad valorem property taxes ratably accrued but not yet due and payable, (c) severed mineral estates or interests, owned by others, and (d) such other liens, encumbrances,

reservations and other clouds on title as the Issuer shall determine do not materially impair the use or value of the premises.

"Permitted Investments" means and includes any of the following securities and other investments, if and to the extent the same are at the time legal for investment of Florida Housing's funds and which shall mature or shall be subject to redemption by the holder of the investment thereof at the option of such holder, not later than the respective dates when the moneys will be required for the purposes intended:

(i) Government Obligations;

(ii) Obligations (a) which are backed by the full faith and credit of any state of the United States of America, (b) of any agency or instrumentality of the United States of America or (c) of any public corporation sponsored by the United States of America, including, but not limited to, Freddie Mac, Fannie Mae and GNMA, provided that such obligations described in (a), (b) and (c) hereof at the time of investment shall not adversely affect the Rating Quality of the Bonds;

(iii) Interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any bank, trust company, national banking association or other savings institution (including any Fiduciary), provided that (a) the unsecured long-term debt obligations thereof are rated by the Rating Agency at least equal to the rating on the Series of Bonds, or (b) such entity has combined capital and surplus of at least \$25,000,000 and such deposits, certificates and other arrangements are fully secured by obligations described in clause (i) or (ii) of this definition, or a combination thereof, at such levels and valuation frequency as shall not adversely affect the Rating Quality of the Bonds or (c) the deposit of funds with such entity will not adversely affect the Rating Quality of the Bonds;

(iv) Repurchase agreements in respect of any of the securities described in (i) or (ii) of the definition of Permitted Investments, provided that physical delivery of such securities is taken either directly or through an authorized custodian of Florida Housing (or, in the case of book entry securities, by appropriate notation on the official records maintained with respect to the ownership thereof) and provided that such securities be maintained at levels and valuation frequencies satisfactory to Florida Housing and sufficient at all times to maintain the Rating Quality of the Bonds;

(v) Interest-bearing notes issued by a bank holding company having combined capital and surplus of at least \$500,000,000, provided that such investment does not adversely affect the Rating Quality of the Bonds;

(vi) Shares of (a) an investment company registered under the federal investment company act of 1940, whose shares are registered under the federal securities

act of 1933, whose only investments are in securities described in subparagraphs (i), (ii), (iii), (iv) or (v) above which are of Rating Quality and rated "Aaa" by Moody's, "AAA" by S&P or "AAA" by Fitch, or (b) a common trust fund established by a national banking association or a bank or trust company organized under the laws of any state with combined capital and surplus of at least \$50,000,000, under the supervision and regulation of the Comptroller of the Currency pursuant to 12 C.F.R. 9, or any successor regulation, whose only investments are in securities described in subparagraphs (i), (ii), (iii), (iv) or (v) above and which fund is of Rating Quality and rated "AA-m" or "AA-mG" or higher by S&P, "Aa" by Moody's or "AA" by Fitch, or (c) money market funds which invest in tax exempt municipal securities, which funds are registered under the federal securities act of 1933 and rated "AAA-m" by S&P, "Aaa" by Moody's or "AAA" by Fitch;

(vii) Any Investment Agreement with any provider as long as such Investment Agreement does not adversely affect the Rating Quality of the Bonds at the time the investment is made; and

(viii) Any other investment that will not adversely affect the Rating Quality of the Outstanding Bonds,

provided that it is expressly understood that the definition of Permitted Investments shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the Indenture by a Supplemental Indenture, thus permitting investments with different characteristics from those permitted above which Florida Housing deems from time to time to be in the interest of Florida Housing to include as Permitted Investments if at the time of inclusion such inclusion will not, in and of itself, adversely affect the Rating Quality of the Outstanding Bonds. For purposes of the Supplemental Indenture, the term "Permitted Investment" shall also include an investment through the State Treasurer pursuant to Section 17.61, Florida Statutes (the "State Pool"). Before making an investment in the State Pool, the Trustee shall receive a written confirmation from the Rating Agency that such investment will not affect the Rating Quality of the Outstanding Bonds.

"Pledged Property" means (a) the proceeds of sale of the Bonds (other than Convertible Option Bonds and Short-Term Bonds), (b) all right, title and interest of the Issuer in and to the Guaranteed Mortgage Securities **[and in and to all Mortgage Loans and related mortgage notes and mortgages (subject to the prior right of mortgagors to receive mortgage payment credits, or the U.S. Treasury Department to receive rebates, as required by the Code), and may include Program Related Loans and related mortgage notes and mortgages (subject to the prior right of mortgages to receive mortgage payment credits, or the U.S. Treasury Department to receive rebates, as required by the Code) to the extent provided in a Series Supplement,] [delete?]** financed with the proceeds of the Bonds, and delivered to the Trustee to be held in trust under this Indenture (provided that such Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities shall not constitute Pledged Property for any period

during which they are held by a Warehouse Provider pursuant to a Warehouse Agreement), including, to the extent applicable, (i) the present and continuing right to make claim for, collect, receive and receipt for all amounts receivable by the Issuer thereunder, (ii) to bring actions and proceedings under the mortgage notes and related mortgages or for the enforcement thereof, and (iii) to do any and all things that the Issuer is or may become entitled to do under the mortgage notes and related mortgages; (c) the Pledged Receipts, (d) the Supplemental Security, (e) all the rights and interests of the Issuer in and to all Credit Facilities entered into with respect to any Bonds and all moneys and payments derived therefrom (except to the extent provided to the contrary in a *Series Supplement*), (f) all other moneys and Permitted Investments in all Funds and Accounts created or established by, or maintained pursuant to, this Indenture (except moneys in (1) the Rebate Fund, Administration Fund, or any Cost of Issuance Account, (2) any Remarketing Account, to the extent held therein to pay the purchase price of Tender Bonds, (3) any funds made available to make all or a portion of certain Mortgage Loans or Program Related Loans from Deep Subsidy Program Loan Funds or other funds provided by the Issuer, (4) any Account established pursuant to a *Series Supplement* and specified not to be Pledged Property (including for example, for payment to the purchaser of a portion of the principal or interest component of specific Mortgage Loans, Program Related Loans or Guaranteed Mortgage Security) and (5) Proceeds Funds, including the investments therein and the proceeds of such investments, if any, and the earnings on such investments until applied in accordance with the terms of this Indenture) and (g) the money, securities and funds and all other right of every name and nature from time to time hereafter by Supplemental Indenture, by *Series Supplement* or by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder.

"Pledged Receipts" means all moneys received by or on behalf of the Issuer or Trustee representing (a) principal and interest payments on the Mortgage Loans (including Insurance or Liquidation Proceeds) and Program Related Loans as specified in a *Series Supplement*, including all Prepayments representing the same and all prepayment premiums or penalties received in respect to the Mortgage Loans or such Program Related Loans, and all payments received from Guaranteed Mortgage Securities (excluding the portion of any payments with respect to specific Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities which are not pledged as specified in a *Series Supplement* including repayment of Deep Subsidy Program Loan Funds or payments which are required to be paid to a Warehouse Provider pursuant to a Warehouse Agreement), (b) proceeds of the sale of Guaranteed Mortgage Securities, Mortgage Loans and Program Related Loans as specified in a *Series Supplement* by or on behalf of the Issuer, (c) interest earnings received on the investment of amounts in any Fund or Account (other than as stated in **Section 13.01(d)**) and the earnings on the invested proceeds of Convertible Option Bonds and Short-Term Bonds), and (d) amounts deposited with the Trustee and reflected in the current Cash Flow Statement as necessary for purposes of the certification required by the second paragraph of **Section 7.08**. Notwithstanding any provision herein to the contrary, the Issuer may, by *Series Supplement*, designate a portion of the Pledged Receipts to secure only a specific Series of Bonds.

"Prepayment" means any payment by a mortgagor or other recovery of principal on a Mortgage Loan or Program Related Loan other than a scheduled installment of principal on a Mortgage Loan or Program Related Loan and the portion of any Insurance Proceeds (to the extent not applied to the repair or restoration of any mortgaged premises), Liquidation Proceeds or other payments representing such principal amounts.

"Principal Amount" means, with respect to any Bond and at any date of computation, either the stated principal thereof or the amount designated as the Principal Amount thereof pursuant to the applicable *Series Supplement*.

"Principal Installment" means, as of any Principal Payment Date and with respect to any Series, so long as any Bonds thereof are Outstanding, the amount payable on account of: (a) the Principal Amount of Bonds of such Series maturing on such Interest Payment Date net of the aggregate of Sinking Fund Installments, if any, established and paid previously with respect to Bonds of such Series and maturity; plus (b) the amount of any Sinking Fund Installments due on such Interest Payment Date with respect to Bonds of such Series.

"Principal Payment Date" means, with respect to all Bonds which are scheduled to pay principal on a semiannual basis, January 1 and July 1 in each year in which a Principal Installment is due and payable as may be specified in a *Series Supplement*, with respect to all Bonds which are scheduled to pay principal on an annual basis, January 1 in each year in which a Principal Installment is due and payable as may be specified in a *Series Supplement*, or such other dates as may be specified as otherwise provided in a *Series Supplement* relating to Bonds which are scheduled to pay principal on other than a semiannual or annual basis.

"Private Mortgage Insurance" means a policy of insurance issued by a Private Mortgage Insurer providing for coverage on losses realized as a result of default in payment of principal of and interest on a Mortgage Loan or a Program Related Loan.

"Private Mortgage Insurer" means a company qualified to provide insurance on mortgage loans purchased by the FHLMC or Fannie Mae, or any other agency or instrumentality of or chartered by the United States to which the powers of either of them have been transferred or which has similar powers to purchase mortgage loans, which company's claims paying ability is rated by the Rating Agency (a) if the company is the obligor on Private Mortgage Insurance for Mortgage Loans or Program Related Loans that do not comprise a Guaranteed Mortgage Security, in at least as high a respective letter rating category as that assigned to the Series of Bonds secured by such loans at the time the Mortgage Loan or Program Related Loans subject to such Private Mortgage Insurance is financed by the Issuer, and (b) if the company is the obligor on Mortgage Pool Insurance, in at least as high a respective letter rating category as that assigned to the Series of Bonds secured by such policy of Mortgage Pool Insurance by such Rating Agency, at the time the policy is delivered to or on behalf of the Issuer; provided, if a policy for Municipal Bond Insurance (from an insurer with a claims paying rating at least as high as the rating on the applicable Bonds) is obtained for a particular Series of Bonds, the rating requirement for Private Mortgage Insurance and Mortgage Pool

Insurance shall be such rating as may be acceptable to the provider of such Municipal Bond Insurance.

"Proceeds Fund" means a Proceeds Fund relating to a specific Series of Convertible Option Bonds or Short-Term Bonds, authorized by **Section 5.08** hereof and created by the applicable *Series Supplement*, having a distinguishing Series designation in the name of the Fund so created.

"Program" means the program or programs of the Issuer pursuant to which the Issuer will issue the Bonds and apply the proceeds thereof to finance or purchase Mortgage Loans or Program Related Loans or to purchase Guaranteed Mortgage Securities having underlying Mortgage Loans, by itself or through Lenders, including through the making or purchase of Mortgage Loans or Program Related Loans or the participation by the Issuer, either with itself or with others, in the making or purchase thereof or the permanent financing of a Mortgage Loan or a Program Related Loan which has been temporarily financed by the Issuer through the issuance of notes or other obligations or otherwise.

"Program Expenses" means, collectively, the Issuer Fee, the Trustee Fee and expenses (including Ordinary Expenses, Extraordinary Expenses and Rebate Analyst Fee), fees and expenses of other Fiduciaries, the Servicing Fees, Mortgage Pool Insurance premiums, special hazard insurance premiums, Credit Facility Fees, and Surety Bond premiums, Commitment Fees and Letter of Credit fees.

"Program Fund" means the Issuer's Single Family Mortgage Loan Program Fund created and established by **Section 5.02**.

["Program Related Loans" means a loan with respect to one-to-four family residences (other than a Mortgage Loan) which is originated, financed or purchased with proceeds of the Bonds or other funds and in accordance with the requirements of this Indenture and the applicable *Series Supplement* (which may be evidenced by a first or second mortgage note and secured by a first or subordinated mortgage, or may be unsecured).]

"Rating Agency" means Moody's Investors Service and/or any other nationally recognized bond rating agency, to the extent that any such rating agency has assigned a rating to any Bonds Outstanding as requested by or on behalf of the Issuer, and which rating is then currently in effect, or any successor(s) to their respective functions, assigns or any other nationally recognized Rating Agency which has been selected. by the Issuer.

"Rating Quality" means, with respect to any Series of Bonds, having terms, conditions and/or a credit quality such that the item stated to be of "Rating Quality" will not, as confirmed in writing received by the Trustee from the Rating Agency then rating the Bonds of such Series, impair the ability of Florida Housing to maintain the rating or ratings initially received from such Rating Agency - "Aaa" by Moody's – with respect to the Bonds and, if not with respect to a particular Series of Bonds, will not cause the Rating Agency then rating the Bonds at the request of the Issuer to lower or withdraw the rating it has assigned to the Bonds.

"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 or Program Related Loan pursuant to the RD's Guaranteed Rural Housing Loan Program.

"RD Mortgage Loan" means a Mortgage Loan or a Program Related Loan guaranteed by the RD.

"Rebate Accounts" means the Rebate Accounts created and established in the Rebate Fund pursuant to **Section 5.08** and any Supplemental Indenture or *Series Supplement*.

"Rebate Analyst" means the person or firm then appointed by the Issuer in the applicable *Series Supplement* to perform the duties of a Rebate Analyst hereunder and under the applicable *Series Supplement*, which may be the Trustee or the Issuer.

"Rebate Analyst Fee" means an amount to be paid to the person or firm then providing or arranging for the services of a Rebate Analyst.

"Rebate Fund" means the Rebate Fund created and established by **Section 5.08**.

"Rebate Requirement" means, with respect to a Series of Bonds, the amount specified in a report submitted by the Rebate Analyst conforming to the requirements hereof and of the applicable *Series Supplement* required to be rebated to the United States of America on or before a particular date.

"Record Date" means the date so specified in **Section 3.05** or a *Series Supplement*.

"Redemption Fund" means the Redemption Fund created and established by **Section 5.08**.

"Redemption Price" means, when used with respect to any Bond or portion thereof to be redeemed, unless otherwise specified in the applicable *Series Supplement*, 100% of the Principal Amount of such Bond or portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Indenture and the applicable *Series Supplement*.

"Refunding Bonds" means all Bonds delivered on original issuance for the purpose of refunding Bonds or any other bonds issued or other debt incurred by the Issuer or other political subdivisions, authorities or agencies of the State (to the extent authorized by law) and outstanding under a resolution, agreement or indenture duly adopted or executed by the Issuer or other political subdivisions, authorities or agencies of the State.

"Registrar" means the Trustee, acting as registrar for the Bonds, or any other bank, trust company or national banking association designated or appointed pursuant to **Section 8.02** to

act as registrar for the Bonds, and each successor and any other bank, trust company or national banking association at any time substituted in its place pursuant to this Indenture.

"Remarketing Account" means the Remarketing Account created pursuant to a *Series Supplement* pursuant to which the moneys on deposit therein are to be applied to the purchase of Tender Bonds.

"Remarketing Agent" means the Remarketing Agent, if any, for Tender Bonds appointed by the Issuer in a *Series Supplement*.

"Remarketing Agreement" means the Remarketing Agreement, if any, relating to a Series of Bonds as specified in a *Series Supplement*.

"Revenue Accounts" means the Revenue Accounts in the Revenue Fund created and established pursuant to **Section 5.08** and any Supplemental Indenture or *Series Supplement*".

"Revenue Fund" means the Revenue Fund created and established by **Section 5.08**.

"Securities Depository" means The Depository Trust Company or any other securities depository selected by the Issuer which agrees to follow the procedures required to be followed by a securities depository in connection with a Series of Bonds as provided in a *Series Supplement*.

"Senior Bonds" means bonds authorized by this Indenture and issued pursuant to a *Series Supplement* which by their terms are senior in right of payment to Subordinated Bonds.

"Senior Debt Service Requirement" means, as of any Interest Payment Date, the sum of (a) all interest due or to become due on such date on all Outstanding Senior Bonds plus (b) all Principal Installments due or to become due on such date on all Outstanding Senior Bonds or, unless otherwise provided in the applicable *Series Supplement*, if no Principal Installment is due and payable on such date on any Outstanding Senior Bonds, a pro rata portion of the Principal Installment, if any, due and payable on all Outstanding Senior Bonds on the next succeeding Interest Payment Date representing the amount deemed to be accrued as of the Interest Payment Date on which such calculation is made.

"Serial Bonds" means all Bonds not constituting Term Bonds.

"Series of Bonds" or "Bonds of a Series" means any Series of Bonds authorized and designated as a Series by a *Series Supplement*.

"*Series Supplement*" means a *Series Supplemental* Indenture executed and delivered by the Issuer and authorizing the issuance of one or more Series of Bonds in accordance with the terms and provisions hereof which contains provision applicable to such Series of Bonds only.

"Servicer" means (i) each servicer of Mortgage Loans appointed by the Issuer from time to time; (ii) each Lender to the extent it shall have been designated to act as servicer with respect to Mortgage Loans originated by it and (iii) the Issuer, to the extent it shall act as servicer for Mortgage Loans under the Program, and in each case, their successors and assigns.

"Servicing Agreement" means an agreement between the Issuer and a servicer as further identified in a *Series Supplement*.

"Servicing Fees" means (a) any fees paid to or retained by a Servicer servicing Mortgage Loans or Program Related Loans pursuant to the Servicing Agreement **[and (b) any fees retained by the Issuer with respect to Mortgage Loans or Program Related Loans owned and serviced by the Issuer.]**

"Short-Term Bonds" means Bonds of a Series that mature within five years of issuance and are secured only by the applicable Proceeds Fund, an escrow account or a similar financial arrangement and are not secured by any other Fund or Account created under this Indenture and are so designated by a *Series Supplement* and which may be issued without the necessity of obtaining a rating thereon.

"Sinking Fund Installment" means the amount required to be applied by the Issuer to the payment of the principal portion of the Redemption Price of Term Bonds (other than at the option or election of the Issuer) on any date specified as such in a *Series Supplement*.

"Special Redemption Accounts" means the Special Redemption Accounts in the Redemption Fund created and established pursuant to **Section 5.08** and any Supplemental Indenture or *Series Supplement*.

"State" means the State of Florida.

"Subordinated Bonds" means Bonds authorized by this Indenture and issued pursuant to a *Series Supplement* which by their terms are junior and subordinate in right of payment to Senior Bonds and payable solely from the Subordinated Debt Service Fund, excluding Convertible Option Bonds and Short-Term Bonds.

"Subordinated Debt Service Accounts" means the Subordinated Debt Service Accounts in the Subordinated Debt Service Fund created and established by **Section 5.08** and any Supplemental Indenture or *Series Supplement*.

"Subordinated Debt Service Fund" means the Subordinated Debt Service Fund created by **Section 5.08**.

"Subordinated Debt Service Requirement" means, as of any Interest Payment Date or Principal Payment Date, the sum of (a) all interest due or to become due on such date on all Outstanding Subordinated Bonds plus (b) all Principal Installments due or to become due on such date on all Outstanding Subordinated Bonds or, unless otherwise provided in the

applicable *Series Supplement*, if no Principal Installment is due and payable on such date on any Outstanding Subordinated Bonds, one-half of the Principal Installments, if any, due and payable on all Outstanding Subordinated Bonds on the next succeeding Principal Payment Date.

"Subordinated Redemption Accounts" means the Subordinated Redemption Accounts in the Subordinated Debt Service Fund created and established by **Section 5.08** and any Supplemental Indenture or *Series Supplement*.

"Supplemental Indenture" means a Supplemental Indenture of the Issuer supplementing or amending this Indenture generally, the provisions of which are or may be applicable to more than one Series of Bonds.

"Supplemental Security" means, when used with respect to Mortgage Loans or Program Related Loans as specified in a *Series Supplement* adopted in connection with the issuance of a Series of Bonds, either (a) a policy of Mortgage Pool Insurance with respect to such Mortgage Loans or Program Related Loans, (b) a Letter of Credit with respect to such Mortgage Loans, or Program Related Loans (c) a Surety Bond with respect to such Mortgage Loans, or Program Related Loans (d) an Escrow Deposit with respect to such Mortgage Loans, or Program Related Loans (e) any other form of security as may be set forth in the particular *Series Supplement* authorizing the particular Series of Bonds, or (f) any combination of the types of security specified in (a) through (e) above, provided that such combination of security secures at least that percentage of the initial maximum principal amount of such Mortgage Loans or Program Related Loans as specified in a *Series Supplement* executed and delivered in connection with the issuance of a Series of Bonds.

"Surety Bond" means a surety bond issued by an insurance company or other financial institution (including any Fiduciary) whose senior debt or claims paying ability, as appropriate (or, in the event the parent holding company of such institution guarantees such bond, such parent holding company's senior debt or claims paying ability, as appropriate) is rated at not less than the level necessary to maintain the ratings on the Bonds by the Rating Agency.

"Surplus Pledged Receipts" means amounts available for deposit into a Special Redemption Account from the Revenue Fund pursuant to **Section 5.10(e)** hereof or transferred to a Special Redemption Account from the Accumulation Fund pursuant to **Section 5.19(c)** hereof.

"Taxable Bonds" means Bonds the interest on which is includable in gross income of the Bondowner thereof for Federal income tax purposes.

"Tender Bonds" means Bonds which include one or more optional or mandatory tenders by the Bondholders thereof to have such Bonds either purchased or redeemed prior to the maturity thereof including Convertible Option Bonds.

"Term Bonds" means Bonds subject to redemption from Sinking Fund Installments in accordance with provisions of the applicable *Series Supplement*.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., a banking association organized and existing under the laws of the United States of America, having a designated corporate trust office in Jacksonville, Florida, and its successor or successors and any other person at any time substituted in its place pursuant to this Indenture and any future Co-Trustee and permitted assigns.

"Trustee Fee" means the compensation to be paid the Trustee for its services and Ordinary Expenses under this Indenture relating to each Series of the Bonds as specified in the applicable *Series Supplement*.

"VA" shall mean the Department of Veteran Affairs, an agency of the United States of America, or any successor to its functions.

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

"VA Guaranty" shall mean a guaranty by the VA under the Serviceman's Readjustment Act of 1944, as amended.

"Value of the Property" means, if an appraisal is available, the lower of (a) the appraised value of the residential property securing a Mortgage Loan at the time the Mortgage Loan is closed, such appraised value being the fair market value as determined by an appraiser acceptable to the Issuer or if an appraisal is not available (b) the purchase price paid for the residential property securing a Mortgage Loan.

"Warehouse Agreement" means an agreement provided in connection with a *Series Supplement* which allows a Warehouse Provider to purchase Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities during a delivery period specified therein after which such Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities, as the case may be, shall be subject to repurchase by the Trustee at the time required by a *Series Supplement*.

"Warehouse Provider" means the provider of a Warehouse Agreement, acceptable to the Rating Agency.

Section 1.02 Miscellaneous Definitions. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Trustee" and "person" shall include the plural as well as the singular number. The word "person" shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof. The words "hereof," "herein," "hereto," "hereby" and "hereunder" (except in the form of bond) refer to the entire Indenture.

Unless the context shall clearly indicate otherwise, references to Articles, Section and other subdivisions, whether by letter, number or otherwise, are to the respective Articles, Sections and subdivisions of this Indenture.

Section 1.03 Requirement of Signed Writing. Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent" or similar action hereunder by the Issuer or the Trustee, unless the form thereof is specifically provided, shall, in the case of the Issuer, be in writing signed by an Authorized Officer and in the case of the Trustee, be in writing signed by an authorized officer of the Trustee.

**ARTICLE II
FORM, EXECUTION, AUTHENTICATION
AND DELIVERY OF BONDS**

Section 2.01 Authorization of Bonds.

(a) In order to provide funds for the Program, Senior Bonds of the Issuer, to be designated "Florida Housing Finance Corporation Homeowner Mortgage Revenue Bonds (Special Program), ____ Series__", are hereby authorized to be issued from time to time without limitation as to amount except as provided in this Indenture or any *Series Supplement* or as may be limited by the Act or any other applicable provisions of law. There is hereby created by this Indenture, in the manner and to the extent provided herein, a continuing pledge of and lien on the Pledged Property to secure the full and final payment of the principal and Redemption Price of and interest on all of the Senior Bonds issued and Outstanding pursuant to this Indenture. The Senior Bonds shall be special limited obligations of the Issuer payable solely from the Pledged Property in the manner and to the extent provided herein or in an applicable *Series Supplement*.

(b) In order to provide funds for the Program, Subordinated Bonds of the Issuer, to be designated "Florida Housing Finance Corporation Subordinated Homeowner Mortgage Revenue Bonds (Special Program) ____ Series ____" are hereby authorized to be issued from time to time without limitation as to amount except as provided in this Indenture or any *Series Supplement* or as may be limited by the Act or any other applicable provisions of law. There is hereby created by this Indenture, in the manner and to the extent provided herein, a continuing subordinated pledge of and lien on the Subordinated Debt Service Fund to secure the payment of the principal and Redemption Price of and interest on all of the Subordinated Bonds issued and Outstanding pursuant to this Indenture. The Subordinated Bonds shall be special limited obligations of the Issuer payable solely from the Subordinated Debt Service Fund pledged therefor pursuant to this Indenture in the manner and to the extent provided herein or in an applicable *Series Supplement*.

(c) In order to provide funds for the Program, Convertible Option Bonds or Short-Term Bonds of the Issuer, to be designated "Florida Housing Corporation Homeowner Mortgage Revenue Bonds (Special Program) ____Series ____" with optional additional

descriptive assignment as may be provided in a *Series Supplement* are hereby authorized to be issued from time to time without limitation as to amount except as provided in this Indenture or any *Series Supplement* or as may be limited by the Act or any other applicable provisions of law. There is hereby created by this Indenture, in the manner and to the extent provided herein and in the relevant *Series Supplement*, a continuing pledge of and lien on the Proceeds Fund or other fund or account created in a *Series Supplement* for each Series of Convertible Option Bonds or Short-Term Bonds or an escrow account created in accordance with **Section 5.08** hereof and all earnings on such funds and accounts to secure the payment of the principal and Redemption Price of and interest on the Convertible Option Bonds or Short-Term Bonds of that particular Series issued pursuant to this Indenture and the related *Series Supplement* and on no other Funds or Accounts of the Issuer. The Convertible Option Bonds or Short-Term Bonds shall be special limited obligations of the Issuer payable solely from the Proceeds Fund or other fund or account and earnings thereon pledged therefor pursuant to the relevant *Series Supplement*.

(d) Bonds of a Series may be or include either Serial Bonds, Term Bonds, Capital Appreciation Bonds or a combination thereof, and may include Tender Bonds or Taxable Bonds, and may bear interest at such rate or rates provided by *Series Supplement*, including variable or fixed rates which are payable currently or compounded and paid at maturity or upon redemption, or any combination thereof.

(e) THE BONDS SHALL BE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND ASSETS PLEDGED THEREFOR PURSUANT TO THIS INDENTURE AND IN THE ORDER OR PRIORITY SET FORTH IN THIS INDENTURE. THE BONDS SHALL IN NO EVENT BE PAYABLE FROM THE GENERAL REVENUES OF THE ISSUER AND SHALL NOT CONSTITUTE A GENERAL DEBT, LIABILITY OR OBLIGATION OR A PLEDGE OF THE FAITH OR CREDIT OF THE ISSUER, OR A DEBT, LIABILITY OR OBLIGATION, OR A PLEDGE OF FAITH AND CREDIT OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS; NEITHER THE ISSUER, THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF NOR ANY LENDER SHALL BE LIABLE THEREON; NOR IN ANY EVENT SHALL SUCH BONDS OR OBLIGATIONS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER, AND THEN ONLY TO THE EXTENT HEREIN PROVIDED. NEITHER THE FAITH AND CREDIT NOR THE REVENUES OR TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, FANNIE MAE, GNMA OR FHLMC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Each Bond shall contain a statement substantially in the form of the foregoing capitalized provisions of this paragraph (e).

Section 2.02 Series Supplements. The issuance of the Bonds shall be authorized by a *Series Supplement* or *Series Supplements* executed and delivered by the Issuer and the Bonds may be issued in one or more Series. The Bonds of each Series shall, in addition to the designation set forth in **Section 2.01**, contain an appropriate Series designation.

Each *Series Supplement* shall, to the extent appropriate, either specify and determine, or set forth the manner of specifying and determining, as to such Series:

- (a) The authorized Principal Amount of such Series of Bonds;
- (b) The purposes for which such Series of Bonds is being issued, which shall be to provide funds for one or more of the following: (i) the origination, purchase or making of Guaranteed Mortgage Securities, Mortgage Loans and/or Program Related Loans, (ii) the refunding of Outstanding Bonds or any other bonds or debt issued by the Issuer or other political subdivisions or agencies of the State and outstanding under a resolution, agreement or indenture duly adopted by the Issuer or other political subdivisions or agencies of the State, (iii) incident to these purposes, for the funding of all or a portion of the Costs of Issuance and any discount and the deposit of amounts determined by or pursuant to this Indenture to be credited and paid into the Funds and Accounts established pursuant to **Sections 5.02** and **5.08** and such *Series Supplement* and (iv) any other purpose authorized by the Act;
- (c) The amounts to be deposited in the Funds or Accounts established under this Indenture from the proceeds of the Bonds of such Series, or from other available funds of the Issuer and the application thereof;
- (d) The dated date, Principal Payment Dates, Interest Payment Dates, amounts of each maturity and the first Interest Payment Date of the Bonds of such Series;
- (e) The interest rate or rates and/or the manner of determining such rate or rates and, if applicable, provisions relating to the accretion or compounding of interest on Capital Appreciation Bonds;
- (f) The denomination or denominations of and the manner of numbering and lettering the Bonds of such Series;
- (g) Subject to the provisions of **Section 7.03**, the Paying Agent or Paying Agents or the methods of appointing the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Bonds of such Series;
- (h) The Redemption Price or Redemption Prices, if any, and, subject to the provisions of this Indenture, the redemption terms, if any, for the Bonds of such Series;
- (i) If so determined by the Issuer, the provisions for the sale and/or remarketing of the Bonds of such Series;

(j) The forms of the Bonds of such Series and the Registrar's certificate of authentication;

(k) The amount and due date of each Sinking Fund Installment for the Term Bonds of such Series, if any, and the Redemption Price or Prices to be paid upon the redemption of such Term Bonds by application of such Sinking Fund Installments;

(l) The expected interest rate or rates (as from time to time in effect, or a statement or other identification of the manner in which such interest rates are to be determined), purchase price or prices and maturity term or terms of the Mortgage Loans, Program Related Loans and Guaranteed Mortgage Securities expected to be financed in connection with such Series of Bonds or with Prepayments of such Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities;

(m) The amount of Bond proceeds or other available funds, if any, expected to be allocated to Lenders pursuant to the applicable Mortgage Purchase Agreements, the terms upon which any additional moneys to be set aside or reserved to purchase or originate additional Mortgage Loans or Program Related Loans from Lenders may be used for such purpose, a determination that the issuance of Bonds to provide such additional moneys is necessary to achieve one or more purposes of the Issuer under the Act, and a statement whether the Mortgage Loans or Program Related Loans are to provide for level or varying payments of principal and interest or both;

(n) The terms and conditions upon which the Issuer expects to purchase or originate Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities **[and to apply any repayments of Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities purchased in connection with such Series to finance additional Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities;]**

(o) Subject to the provisions of **Section 7.15**, the type or types of Mortgage Pool Insurance or Private Mortgage Insurance, if any, determined by the Issuer to be used in connection with the Mortgage Loans or Program Related Loans expected to be financed;

(p) The Credit Facilities, if any, to be issued in connection with such Series of Bonds;

(q) The amounts, if any, necessary for deposit in the Debt Service Reserve Fund, the Collateral Fund and the Mortgage Reserve Fund such that the amounts on deposit in such Funds shall be at least equal to the Debt Service Reserve Fund Requirement, the Collateral Fund Requirement and the Mortgage Reserve Fund Requirement, respectively, calculated immediately after the delivery of such Series of Bonds;

(r) The amount of the Issuer Fee and the Trustee Fee and the process through which Program Expenses will be approved and paid by the Trustee;

(s) The periods during which Mortgage Loans or Program Related Loans are expected to be originated and sold to the Issuer, the Servicer or the Trustee if neither the Issuer nor a Servicer is acting in such a capacity;

(t) Whether the Bonds are being issued as Senior, Subordinated, Convertible Option Bonds or Short-Term Bonds and, in the case of Convertible Option Bonds or Short-Term Bonds, the security therefor; and

(u) Any other provisions deemed advisable by the Issuer, not in conflict with the provisions of this Indenture.

A *Series Supplement* may provide that any of the matters set forth in the foregoing clauses of this **Section 2.02** may be specified in an instrument supplementing such *Series Supplement*.

Section 2.03 Conditions Precedent to the Issuance of the Bonds. After authorization by *Series Supplement* and compliance with all requirements set forth therein, Bonds of a Series shall be executed on behalf of the Issuer, authenticated by the Registrar, and delivered to the purchasers thereof, but only upon and subject to the following further conditions:

The Issuer shall furnish or cause to be furnished to the Trustee:

(a) An original executed or certified copy of this Indenture and the applicable *Series Supplement*;

(b) A written order of the Issuer to authenticate and deliver the Bonds to be authenticated and delivered.

(c) A Counsel's Opinion to the effect that this Indenture and the *Series Supplement* authorizing the Series of Bonds have been duly executed and delivered by the Issuer; that this Indenture and the applicable *Series Supplement* are in full force and effect and are valid and binding upon the Issuer and enforceable in accordance with their terms, except as to enforcement or remedies which may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally; that, with respect to any Series of Senior Bonds, this Indenture creates, upon receipt thereof by the Trustee, a valid lien on and pledge of the Pledged Property pledged thereto by this Indenture or the applicable *Series Supplement*; that with respect to any Subordinated Bonds, this Indenture creates a valid lien on and pledge of the Subordinated Debt Service Fund; and that, upon the execution, authentication and delivery thereof, the Bonds of such Series will be duly and validly issued and will constitute valid and binding special limited obligations of the Issuer payable solely from the assets pledged under the Indenture and the applicable *Series Supplement*;

(d) Except in the case of the initial Series of Bonds, a certificate of an Authorized Officer of the Issuer stating that the Issuer is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture;

- (e) Any Credit Facility issued in connection with such Series of Bonds;
- (f) A Cash Flow Statement giving effect to the proposed issuance of such Series of Bonds;
- (g) The instrument evidencing the Supplemental Security, if any, for the Mortgage Loans or Program Related Loans expected to be financed;
- (h) The amounts, if any, necessary for deposit in the Debt Service Reserve Fund, the Collateral Fund and the Mortgage Reserve Fund such that the amounts on deposit in such Funds shall be at least equal to the Debt Service Reserve Fund Requirement, the Collateral Fund Requirement and the Mortgage Reserve Fund Requirement, respectively, calculated as of the date and time immediately after the delivery of such Series of Bonds; and
- (i) A rating letter confirming the rating of such Series of Bonds in the highest rating category by the Rating Agency and that the rating on each Series of Outstanding Bonds will not be down-graded or withdrawn as a result of the issuance of such Series of Bonds; **[provided, however, the requirements of this paragraph (i) shall not be applicable to the issuance of a Series of Subordinated Bonds, Convertible Option Bonds, or Short-Term Bonds which Subordinated Bonds, Convertible Option Bonds or Short-Term Bonds may be unrated or rated in a lower rating category so long as a rating confirmation is received to the effect that the rating or ratings on all Outstanding Senior Bonds and previously issued Subordinated Bonds will not be lowered as a result of the issuance of such Subordinated Bonds, Convertible Option Bonds or Short-Term Bonds.]**

Section 2.04 Provisions for Refunding Bonds.

(a) Refunding Bonds of one or more Series may be issued and delivered subject to the provisions and limitations of this **Section 2.04** and **Section 2.03**, for the purpose of refunding: (i) any Bonds then Outstanding and (ii) any other bonds or debt issued by the Issuer as part of its single family mortgage revenue bond program and outstanding under a resolution, agreement or indenture duly adopted by the Issuer. The *Series Supplement* authorizing each such Series of Refunding Bonds shall (i) set forth that the purposes for which such Series is issued are (A) the refunding and redemption of any part or all of the Bonds of any one or more Series then Outstanding hereunder and/or any other bonds or debt issued by the Issuer (to the extent authorized by law) and outstanding under a resolution, agreement or indenture duly adopted by the Issuer, (B) the payment into the debt service fund of the accrued interest with respect to the Series of such Refunding Bonds (or such part thereof as said *Series Supplement* shall determine), and (C) the payment of the Costs of Issuance (or such part thereof as said *Series Supplement* may determine) with respect to such Refunding Bonds, and (ii) contain a description of the Bonds or debt to be refunded.

(b) Each Series of Refunding Bonds shall be executed by the Issuer and delivered to the Trustee and shall be authenticated by the Trustee and delivered to the Issuer or upon its

written order, but only upon the receipt by the Trustee, in addition to the documents and moneys referred to in **Section 2.03**, of:

(i) proceeds (inclusive of accrued interest on such Series of Refunding Bonds) from the sale of such Series of Refunding Bonds which together with other moneys available therefor are, or will be, equal to or greater than the sum of (A) the aggregate applicable Redemption Prices (plus accrued interest) on the Bonds to be refunded, or a sum sufficient to comply with the provisions of **Section 13.01** (or the applicable defeasance provisions of such other resolution or indenture pursuant to which the bonds to be refunded were issued), (B) the amount of accrued interest with respect to such Series of Refunding Bonds, and (C) Costs of Issuance of such Series of Refunding Bonds (unless otherwise provided for); and

(ii) irrevocable written instructions to the Trustee, in form satisfactory to it, (A) to give due notice of redemption of all the bonds to be refunded on the redemption date or dates specified in such instructions in the manner provided in **Article IV** (or evidence to the Trustee that such notice as is required by the resolution or indenture pursuant to which the bonds to be refunded were issued has been given), and (B) if the bonds to be refunded are not by their terms subject to redemption within the next succeeding forty-five (45) days, to give the notice provided for in clause (c) of **Section 13.01** to Holders of the Bonds being refunded (or evidence that such notice as is required by any resolution or indenture pursuant to which the bonds to be refunded were issued will be given).

(c) The Trustee, or the trustee under the applicable resolution or indenture of the Issuer, shall furnish to the Issuer at the time of delivery of such Series of Refunding Bonds a certificate stating that it holds in trust, or that upon the payment to it of such portion of the proceeds of such Refunding Bonds and any other available funds as is specified for such purpose in the *Series Supplement* for such Series of Refunding Bonds and, if applicable, the application thereof to the purchase of Government Obligations it will hold in trust:

(i) Moneys in an amount sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the bonds to be refunded on and prior to the redemption date or maturity date thereof, as the case may be, and/or

(ii) Government Obligations in such principal amounts, of such maturities bearing such interest, and otherwise having such terms and qualifications, as shall be necessary otherwise to comply with the provisions of **Section 13.01** (or the applicable defeasance provisions of such other resolution or indenture pursuant to which the bonds to be refunded were issued);

and that such moneys and/or Government Obligations are or will be available in accordance with the provisions of **Section 13.01** (or the applicable defeasance provisions of such other

resolution or indenture pursuant to which the bonds to be refunded were issued) for payment to the holders of the bonds entitled thereto. In making such certification the Trustee (or the trustee under the applicable resolution or indenture of the Issuer) may rely upon a verification report prepared by Bond Counsel, underwriter, financial advisor, a certified public accountant or firm of certified public accountants or any other consultant acceptable to the Rating Agency.

(d) Any moneys received by the Issuer conditioned upon the Issuer using such moneys for the redemption of any Outstanding Bonds or other bonds or debt of the Issuer shall be deemed to be, and shall be treated as, the proceeds of a Series of Refunding Bonds and the Issuer shall deliver to the Trustee the documents and moneys or Government Obligations required by the provisions of paragraphs (a) and (b) of this Section and shall do all other acts and things necessary to accomplish the redemption of such Bonds or debt, in accordance with the applicable provisions of this Section.

ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01 Medium of Payment; Form and Date. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Except as otherwise provided herein or in a *Series Supplement*, the Principal Amount of and premium, if any, on the Bonds shall be payable by check or draft at the designated corporate trust office of the Trustee upon presentation and surrender of the Bonds. If the date for payment of the Principal Amount of the Bonds is not a Business Day, such payment will be made on the next succeeding Business Day as though made on such Payment Date. Payment of interest on the Bonds shall be made by check or draft mailed on the Interest Payment Date (or the next succeeding Business Day if an Interest Payment Date is not a Business Day) to the address of the person in whose name any Bond is registered as such address shall appear on the bond register maintained by the Registrar on the Record Date (established pursuant to **Section 3.05** hereof) immediately preceding such Interest Payment Date. Notwithstanding the foregoing, the Principal Amount of, the Redemption Price of, and the interest on the Bonds is payable by electronic transfer in immediately available federal funds pursuant to instructions from any Holder of \$1,000,000 or more in aggregate Principal Amount of Bonds of any one Series. Any such instructions for electronic transfer shall be in writing and signed by such Holder and shall include the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the Holder's account number, account name and the phone number and contact name related to such Holder's account at such bank to which the payment is to be credited. Unless the Bonds are in book-entry form, no Principal Amount or Redemption Price of the Bonds is payable unless the Holder thereof shall have surrendered such Bonds at the designated corporate trust office of the Trustee. All checks, drafts or electronic transfers for the payment of the Principal Amount and Redemption Price of and

interest on the Bonds shall include or have enclosed therewith the CUSIP number and appropriate payment amount for each CUSIP number.

Bonds of each Series shall be dated as of the date or dates specified in the *Series Supplement* authorizing the issuance thereof; provided, however, that if interest on the Bonds of any Series shall be in default, Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange therefor may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

Section 3.02 Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture and the applicable *Series Supplement* as may be necessary or desirable to comply with the Act, or otherwise, as may be determined by the Issuer prior to the initial delivery thereof or the remarketing thereof.

Section 3.03 Execution and Authentication. The Bonds shall be executed in the name of the Issuer by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal (or a facsimile thereof) shall be thereunder affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of its Secretary or other Authorized Officer (other than the officer executing such bonds). In case any one or more of the Authorized Officers who shall have signed or sealed any of the Bonds shall cease to be such Authorized Officer before the Bonds so signed and sealed shall have been authenticated and delivered, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the Issuer by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in the Issuer although at the dated date or date of issuance of the Bonds of such Series such persons may not have been so authorized or have held such office.

Section 3.04 Registration, Transfer and Exchange of Bonds, Persons Deemed Owner. The Registrar shall cause to be maintained and kept, at the designated office of the Registrar, books for the registration and transfer of Bonds and, upon presentation thereof for such purpose at such office, the Registrar shall register or cause to be registered therein, and permit to be transferred thereon under such reasonable regulations as it or the Registrar may prescribe, any Bond entitled to registration of transfer.

Each Bond shall be transferable only upon the books of the Registrar, at the request of the registered owner thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In the transfer of any such Bond, the Registrar shall issue in the name of the transferee a new registered Bond or Bonds of the same Series, aggregate Principal Amount and maturity as the surrendered Bonds.

Bonds may be exchanged at the designated office of the Registrar for an equal aggregate Principal Amount of Bonds of the same Series and maturity of other authorized denominations.

In each case in which Bonds are transferred or exchanged, the Issuer shall execute and the Registrar shall authenticate, as required, and deliver Bonds to the transferee or the Bondholder making the exchange.

The Issuer, the Trustee and the Registrar shall deem and treat the person in whose name any outstanding Bond shall be registered upon the books of the Registrar as the absolute owner of such Bond, whether such Bonds shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or premium, if any, and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his written order or to his legal representative shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee nor the Registrar shall be affected by any notice to the contrary.

Any Series of Bonds may be issued, registered and transferred in book-entry or book-entry only form through the services of a Securities Depository as determined in the applicable *Series Supplement* pursuant to the provisions hereof.

In the event that the Issuer shall determine in a *Series Supplement* to issue a Series of Bonds in book-entry only form, unless otherwise provided in such *Series Supplement*, the Bonds will be initially issued as a single registered bond for each maturity of each Series registered in the name of Cede & Co., the nominee of the Securities Depository, or as shall otherwise be required by the Securities Depository. So long as there shall be maintained a book-entry-only system with respect to the Bonds, unless otherwise provided in the applicable *Series Supplement*, the following provisions shall apply:

The Bonds shall initially be registered in the name of Cede & Co., as nominee for the Securities Depository, which will act initially as securities depository for the Bonds and so long as the Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the Bonds shall be deposited with the Securities Depository (or its agent), which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with DTC Participants, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds ("Beneficial Owners").

So long as bonds are in book-entry-only form, the principal and interest payment portions represented by the Bonds prior to and at maturity shall be payable directly to Cede & Co. in care of the Securities Depository. Disbursal of

such amounts to DTC Participants shall be the responsibility of the Securities Depository. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of the Securities Depository, the Trustee or the Issuer.

The Bonds shall initially be issued in the form of one fully registered Bond for each maturity of each Series of Bonds and shall be held in such form until maturity. Individuals may purchase beneficial interests in authorized denominations (as provided in the applicable Series Supplement) in book-entry-only form, without certificated Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE BONDS, ANY NOTICE TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICE TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO BENEFICIAL OWNERS.

The Issuer shall enter into a letter of representations with the Securities Depository and the Trustee shall enter into an Operational Arrangements Letter of Representations with the Securities Depository, providing for such book-entry-only system. Such agreement may be terminated at any time by either the Securities Depository or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer notifies the Trustee that it does not intend to replace the Securities Depository, the Trustee will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in Authorized Denominations, in accordance with instructions from Cede & Co.

Upon the occurrence of the event described in the final sentence of the preceding paragraph, the Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee, which is hereby constituted and appointed the Registrar of the Issuer.

The Trustee may require payment of a sum sufficient to cover any expenses incurred in making such transfer or exchange, any tax or other governmental charge that may be imposed in relation thereto but may not impose any other service charge or fee. The Issuer and the Trustee shall not be required (a) to issue, transfer or exchange any Bonds during a period beginning at the close of business on the Record Date and ending at the close of business on the Interest Payment Date or (b) to transfer or exchange any Bonds selected, called or being called for redemption in whole or in part or Bonds subject to Mandatory Tender.

New Bonds delivered upon any transfer or exchange shall be valid limited obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 3.05 Record Date; Special Record Date. Except as may be otherwise provided in a *Series Supplement*, principal, Redemption Price, if any, and interest on each Bond shall be payable to the owner in whose name such Bond is registered at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding the Interest Payment Date, without regard to any transfer or exchange of such Bond after such day, unless the Issuer shall default in the payment of interest due on such Bond on such Interest Payment Date. If the Issuer shall default in the payment of interest due on any Bond, such defaulted interest shall be payable to the owner in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the owners of such Bonds not less than five (5) days after such special record date. Such notice shall be mailed to the owners in whose names such Bonds are registered at the close of business on the fifth day (whether or not a Business Day) preceding the date of mailing and the Trustee shall not issue, transfer or exchange any such Bonds from close of business on such special record date and ending at close of business on the payment date.

Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and the Registrar shall authenticate and deliver, a new Bond of like Series, maturity and Principal Amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Registrar evidence satisfactory to the Issuer that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Issuer and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Issuer and the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur.

Section 3.07 Temporary Bonds. Unless the Bonds of a Series are in book-entry form, until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in **Section 3.03**, and upon the written request and expense of the Issuer, the Registrar shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and to exchangeability for Bonds, one or more temporary Bonds which shall be registered as to principal and interest. Such temporary Bonds shall be substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations or maturity amounts of \$5,000 or any multiples thereof authorized by the Issuer, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds shall be payable only upon presentation of such temporary Bonds for notation thereon of the payment of such interest. The Issuer at its own expense shall prepare and execute and, upon the surrender of such temporary

Bonds, for exchange and cancellation, the Registrar shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, at the principal or designated corporate trust office of the Registrar, definitive Bonds, of the same aggregate Principal Amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith canceled and destroyed by the Registrar.

Section 3.08 Cancellation. All Bonds surrendered for redemption, payment, replacement or exchange, if surrendered to the Registrar, shall be promptly canceled by it, and, if surrendered to any person other than the Registrar, shall be delivered to the Registrar and, if not already canceled, shall be promptly canceled by it. The Issuer may at any time deliver to the Registrar for cancellation any Bonds previously authenticated and delivered hereunder, which Bonds so delivered shall be promptly canceled by the Registrar. Any canceled Bonds held by the Registrar shall be destroyed by a method selected by the Registrar. The Registrar shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one such executed certificate shall be filed with the Issuer, upon written request thereof, and the other such executed certificate shall be retained by the Registrar.

Section 3.09 Instruments of Further Assurance. The Issuer agrees that the Trustee may defend its rights to the payments and other amounts due under the Mortgage Loans, any Program Related Loan, GNMA Certificates, the GNMA Guaranty, the Fannie Mae Securities, the Freddie Mac Securities and the guarantee by Fannie Mae and Freddie Mac with respect thereto, and the Pledged Property, for the benefit of the owners of the Bonds against the claims and demands of all persons whomsoever. The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming to the Trustee all and singular the rights assigned hereby and the amounts pledged hereby to the payment of the principal of and interest on the Bonds to the owner thereof.

ARTICLE IV
REDEMPTION, PURCHASE OR TENDER OF BONDS

Section 4.01 Privilege of Redemption and Redemption Prices. Bonds subject to redemption prior to maturity pursuant to the provisions of a *Series Supplement* shall be redeemable, upon notice as provided in this **Article IV**, at such times, at such Redemption Prices and upon such terms as are specified in this Indenture or the *Series Supplement* authorizing such Series.

Section 4.02 Redemption at the Election or Direction of the Issuer. Except as may be otherwise provided in any *Series Supplement*, in the case of any redemption of Bonds other than as provided in **Section 4.03**, the Issuer shall give written notice to the Trustee of its election or direction so to redeem, of the redemption date, of the Series, of the Principal Amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and Principal Amount thereof to be redeemed shall be determined by the Issuer in its sole discretion, subject to any limitation with respect thereto contained in this Indenture and any *Series Supplement*), of any conditions to such redemption and of the moneys to be applied to the payment of the Redemption Price. Such notice shall be given as provided in **Section 4.05** hereof. In the event notice of redemption shall have been given as in **Section 4.05** provided, the Trustee, if and to the extent that it holds the moneys to be applied to the payment of the Redemption Price and accrued interest on the Bonds to be redeemed, or otherwise the Issuer shall, prior to the redemption date, subject to the satisfaction of any conditions to such redemption, pay to the Trustee and the appropriate Paying Agent or Paying Agents an amount in cash which, in addition to other moneys, if any, available therefor held by the Trustee and such Paying Agent or Paying Agents, will be sufficient to redeem, on the redemption date at the Redemption Price thereof, all of the Bonds to be redeemed and to pay the accrued interest on such Bonds to the redemption date; provided that if the notice of redemption shall have been conditioned on the availability of funds, the Trustee or the Issuer shall pay over such sums as are so available. The Issuer shall promptly notify the Trustee in writing of all such payments made by the Issuer to a Paying Agent.

Section 4.03 Redemption Other than at the Issuer's Election or Direction. Except as may be otherwise provided in any *Series Supplement*, whenever by the terms of this Indenture or a *Series Supplement* the Trustee is required to redeem Bonds other than at the election or direction of the Issuer, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price thereof and the accrued interest thereon to itself and the appropriate Paying Agents in accordance with the terms of this **Article IV** and, to the extent applicable, **Sections 5.12** and **5.15**.

Section 4.04 Selection of Bonds to be Redeemed by Lot. Except as may be otherwise provided in this Indenture or any *Series Supplement*, in the event of redemption of less than all of the Outstanding Bonds of like Series and maturity, the Trustee shall assign to each such

Outstanding registered Bond of the Series and maturity to be redeemed a distinctive number for each \$5,000 Principal Amount of such Bond and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at \$5,000 for each number, shall equal the Principal Amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the Principal Amount of each such registered Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. For purposes of this Section, Bonds which have theretofore been selected by lot for redemption shall not be deemed Outstanding.

Section 4.05 Notice of Redemption, Purchase or Tender. Except as may be otherwise provided in any *Series Supplement*, when the Trustee shall receive notice from the Issuer of its election or direction to redeem Bonds pursuant to **Section 4.02**, and when redemption of Bonds is required by this Indenture pursuant to **Section 4.03** or by a *Series Supplement*, the Trustee shall give notice, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable, any conditions to such redemption and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the Principal Amount thereof to be redeemed. Such notice shall further state that on such date, subject to the satisfaction of any conditions described in the notice of such redemption, there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the Principal Amount thereof in the case of Bonds to be redeemed in part only, together with interest accrued on such Bonds to the redemption date, and that from and after such date interest on such Bonds shall cease to accrue and be payable.

Unless otherwise specified in a *Series Supplement* applicable to a specific Series of Bonds, notice of redemption shall be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice, by first-class mail (postage prepaid) (registered or certified mail to owners of at least \$1,000,000 principal or maturity amount of the Bonds of the Series to be redeemed), by not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption (not more than sixty (60) and not less than fifteen (15) days with respect to a Special Mandatory Redemption or a Mandatory Tender), (a) to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, (b) to any Securities Depositories which are Bondholders, by certified mail, return receipt requested, or by tape transfer or modem, and (c) as, and to the extent set forth in any continuing disclosure agreement of the Issuer. Notice of redemption to Securities Depositories shall, to the extent practical, be given at least two (2) days before the general notice date.

A second notice of redemption shall be given within sixty (60) days after the redemption date in the manner required above to the Bondholders of redeemed Bonds which have not been presented for payment within fifty-five (55) days after the redemption date.

If any of the Bonds are redeemed pursuant to an advance refunding, notice of such advance refunding and redemption shall be given in the same manner as above provided, and within the same time period with respect to the actual redemption date.

The foregoing provisions relating to notices of redemption of Bonds shall be equally applicable to notices of the Issuer's election to exercise its right to purchase or direct a tender of Bonds as may be provided in a *Series Supplement*, unless otherwise provided in the applicable *Series Supplement*.

Failure to give such notice with respect to any Bonds, or any defect therein, shall not affect the validity of the proceedings for redemption of any other Bonds.

Section 4.06 Payment of Redeemed Bonds. Notice having been given in the manner provided in **Section 4.05** (and if said notice shall be subject to the satisfaction of any conditions, then only upon satisfaction of such conditions), the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid on such Bonds to the redemption date, and, upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or his attorney duly authorized in writing, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid on such Bonds to the redemption date. If there shall be called for redemption less than all of a registered Bond, the Issuer shall execute and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the Principal Amount of the registered Bond so surrendered, registered Bonds of a particular Series and maturity in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all the Bonds (or portions thereof) of any such Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.07 Redeemed Bonds as Satisfaction of Sinking Fund Installments. Upon any purchase or redemption of Term Bonds of any Series and maturity for which Sinking Fund Installments shall have been established pursuant to a *Series Supplement* (other than by application of Sinking Fund Installments), an amount equal to the applicable Redemption Prices thereof (as specified below) shall be credited towards a part of all or any one or more of such Sinking Fund Installments, as directed by an Officer's Certificate, or, failing such direction prior to forty-five (45) days before any Principal Payment Date, toward such Sinking Fund Installments pro rata or as otherwise directed in a *Series Supplement*. Such applicable Redemption Prices shall be the respective Redemption Prices which would be applicable upon

the redemption of such Bonds from the respective Sinking Fund Installments on the due dates thereof. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of the calculation of Principal Installments due on a future date.

Section 4.08 Redemption of Insured Bonds from Certain Payments. Notwithstanding any other provision contained in this Indenture, no Prepayments, excess revenues or other moneys or revenues associated with or relating to a Series of Bonds other than a particular Series of Insured Bonds may be applied to the redemption of such Series of Insured Bonds. Nothing in this **Section 4.08** shall be construed as preventing a *Series Supplement* from providing for the application of Prepayments, excess revenues or other moneys or revenues applicable to a Series of Bonds to the redemption of another Series of Bonds other than a particular Series of Insured Bonds and nothing in this **Section 4.08** shall be construed as preventing the use of moneys in the Accumulation Fund from being applied to the redemption of such Series of Insured Bonds.

Section 4.09 Sale of Guaranteed Mortgage Securities.

(a) The Issuer may direct the Trustee in writing to sell all of the Guaranteed Mortgage Securities allocated to a particular Series of Bonds, but only if the Trustee has first received the prior written waiver by GNMA, Fannie Mae or Freddie Mac, as applicable, regarding any limitations on transferability of the GNMA Certificates, the Fannie Mae Securities or the Freddie Mac Securities, respectively, to the extent applicable, which waiver shall be obtained by the Issuer, or its agents for a purchase price sufficient, together with other moneys available hereunder, to pay the redemption price of all the Bonds of a particular Series Outstanding pursuant to the optional redemption provisions set forth in this Indenture and the applicable *Series Supplement* or *Supplements* (including any applicable premium, if any), any related brokerage charges, any outstanding and unpaid Trustee Fees and Rebate Analyst Fees and any rebate obligations with respect to such Bonds; provided, however, that any sale of Fannie Mae Securities or Freddie Mac Securities shall be subject to the restrictions on such sale set forth in any applicable pool purchase contract and that no such sale of the Guaranteed Mortgage Securities shall occur unless the Rebate Analyst shall have determined that funds will be available to pay the Rebate Amount with respect to such Series of Bonds when due. The Trustee shall apply the moneys derived from such sale for deposit into (i) the Revenue Fund to be applied for the optional redemption of the applicable Series of Bonds on the earliest redemption date for which notice of redemption may be given, (ii) the Administration Fund to pay the outstanding and unpaid Trustee Fees and Rebate Analyst Fees with respect to such Bonds and, (iii) the Rebate Fund to the extent needed to satisfy any rebate obligations. The balance, if any, shall be remitted to the Issuer to be used for any lawful purpose permitted under the Act. In addition, the Issuer may sell an option to purchase some or all of the Guarantee Mortgage Securities for a purchase price sufficient, together with other moneys available hereunder, to pay the redemption price of all Bonds of a particular Series Outstanding

hereunder (including any applicable premium, if any, any related brokerage charges and any outstanding and unpaid Trustee Fees and Rebate Analyst Fees and the Rebate Amount). Notwithstanding the foregoing, the Trustee or the Issuer shall not sell Guaranteed Mortgage Securities at a price of less than par plus accrued interest and brokerage fees unless (A) such purchase price is verified by an independent certified public accountant retained by the Issuer to be sufficient to pay the redemption price of all the Bonds Outstanding, any related brokerage charges, any outstanding and unpaid Trustee Fees or Rebate Analyst Fees with respect to the Bonds and any Rebate Amount or (B) the Trustee has received the written consent of the Holders of 100% of the principal amount of the Bonds Outstanding to such sale.

(b) In the event of an acceleration of the principal and interest due on the Bonds pursuant to **Article XI** hereof, the Trustee may, and upon written direction of the Bondholders of a majority of the principal amount of Bonds Outstanding (other than Convertible Option Bonds or Short-Term Bonds) shall, sell the Guaranteed Mortgage Securities if the proceeds received from the sale of the Guaranteed Mortgage Securities, together with amounts on deposit in the related Funds and Accounts created hereunder are sufficient to pay (i) the principal amount of all Bonds Outstanding together with accrued interest thereon to the date established for the payment thereof, (ii) any related brokerage charges and all outstanding and unpaid Program Expenses and (iii) any rebate obligations; provided, however, that any sale of Fannie Mae Securities or Freddie Mac Securities shall be subject to restrictions on such sale set forth in the Pool Purchase Contract. In the event that the proceeds of the sale of the Guaranteed Mortgage Securities, together with amounts on deposit in the related Funds and Accounts created hereunder, are not sufficient to pay the amounts described in (i), (ii) and (iii) above, the Trustee shall sell the Guaranteed Mortgage Securities only upon the written direction of the Holders of 100% of the principal amount of Bonds Outstanding.

ARTICLE V
ESTABLISHMENT OF FUNDS AND ACCOUNTS
AND APPLICATION THEREOF

Section 5.01 Pledges and Perfection of Security Interest. The Pledged Property is hereby pledged to the payment of the principal and Redemption Price of, and interest on the Senior Bonds in accordance with the terms and provisions of this Indenture and the Trustee is hereby granted a security interest therein subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, including, without limitation, the priorities and restrictions applicable to amounts in the Collateral Fund. Subject to such prior pledge of and security interest in the Subordinated Debt Service Fund in favor of the holders of the Senior Bonds and to the provisions of **Section 7.02** hereof, the Subordinated Debt Service Fund, including the investments therein and the proceeds of such investments, if any, are hereby pledged to the payment of the principal and Redemption Price of and interest on the Subordinated Bonds, and the Trustee is hereby granted a security interest therein. The applicable Proceeds Fund or any escrow account created in accordance with **Section 5.08** hereof and all earnings on such funds

and accounts is hereby pledged solely to the payment of the principal, redemption, purchase or tender premium, if any, and interest on the respective Series of Convertible Option Bonds or Short-Term Bonds, and not otherwise. The Issuer shall cause to be filed or recorded all such financing statements, continuation statements and other instruments as may be necessary to perfect, and maintain perfected, the security interests created by this **Section 5.01** to the extent that such perfection can be accomplished by such filing.

Section 5.02 Program Fund and Accounts. The Issuer hereby establishes and creates a special trust fund designated as the Florida Housing Finance Corporation Homeowner Mortgage Loan Program Fund and, unless otherwise provided in a *Series Supplement* the following separate Accounts therein, all of which shall be held in the designated corporate trust office of the Trustee or by Depositories in the name of the Trustee:

- (1) Acquisition Accounts separately held and named for each Series of Bonds;
- (2) Capitalized Interest Accounts separately held and named for each Series of Bonds;
- (3) Cost of Issuance Accounts separately held and named for each Series of Bonds;
- (4) Remarketing Accounts separately held and named for each Series of Tender Bonds; and
- (5) Cost of Remarketing Accounts separately held and named for each Series of Tender Bonds.

Notwithstanding the foregoing, (i) separate Accounts need not be created and maintained with respect to Bonds of a separate Series issued on the same date which are primarily payable from the same source of revenues and (ii) Accounts need not be created and maintained for each Series if so provided in the related *Series Supplement*.

Section 5.03 Deposit of Bond Proceeds and Other Moneys. The proceeds of the sale of each Series of Bonds, together with Commitment Fees and any other moneys or Permitted Investments provided in connection therewith, shall be deposited with the Trustee on the date of delivery or remarketing of such Series of Bonds as provided in the applicable *Series Supplement*.

Section 5.04 Cost of Issuance Accounts. Moneys in each Cost of Issuance Account shall be applied to the payment of the Costs of Issuance of the Series of Bonds for which it was created, upon receipt of an Officer's Certificate or in accordance with an exhibit to the applicable *Series Supplement*, stating the persons to whom and the purpose for which each payment is to be made, and the amount of such payment; provided that the underwriters' fees may be paid by the deduction of the amount thereof from the purchase price paid for the Bonds in lieu of

making payment from the Cost of Issuance Account. Upon receipt of an Officer's Certificate stating that the Costs of Issuance have been fully paid, or as otherwise specified in the applicable *Series Supplement*, the Trustee shall transfer any remaining balance to the applicable Acquisition Account or to the Revenue Fund or to the Issuer, as provided in the applicable *Series Supplement*, and such Account shall be closed. All interest and other income from time to time received from the deposit of moneys in any Cost of Issuance Account, unless otherwise directed by the applicable *Series Supplement*, shall be retained in the related Cost of Issuance Account.

Section 5.05 Capitalized Interest Accounts. Moneys in each Capitalized Interest Account shall be applied as provided in the applicable *Series Supplement* pursuant to which such Account was created. All interest and other income from time to time received from the deposit of moneys in any Capitalized Interest Account, unless otherwise directed by the applicable *Series Supplement*, shall be retained in the related Capitalized Interest Account.

Section 5.06 Acquisition Accounts.

(a) Except as may be otherwise provided in the applicable *Series Supplement* and as set forth below in this Section, amounts in each Acquisition Account shall be applied only to the purchase of Mortgage Loans, Program Related Loans and/or Guaranteed Mortgage Securities at the written direction of the Issuer, in accordance with the applicable *Series Supplement* and the Mortgage Purchase Agreement. The Trustee shall withdraw money from an Acquisition Account for the purpose of making payments pursuant hereto or as provided in a *Series Supplement*.

(b) Prepayments deposited in a Revenue Account and transferred to the applicable Acquisition Account as directed in writing by the Issuer and in the applicable *Series Supplement*, shall be applied as provided in **Section 5.06(a)** above, but only upon receipt of (i) an opinion of Bond Counsel and (ii) a certificate setting forth the term or terms and interest rate or rates of such Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities from which such Prepayments were derived (unless a Cash Flow Statement shall have been delivered to the Trustee) and, (iii) if required by any applicable *Series Supplement*, a Cash Flow Statement. Such opinion of Bond Counsel and certificate and Cash Flow Statement, if required, shall specify the Mortgage Loans, Program Related Loans and/or Guaranteed Mortgage Securities which are eligible for purchase by the Trustee pursuant to this **Section 5.06(b)**.

(c) All interest and other income from time to time received from the deposit and investment of moneys in Acquisition Accounts, unless otherwise directed by the applicable *Series Supplement*, shall be transferred upon receipt to the applicable Account of the Revenue Fund.

(d) The Trustee shall, as directed by an Officer's Certificate or as specified in the applicable *Series Supplement*, transfer to the applicable Special Redemption Account or Subordinated Redemption Account any amounts representing proceeds of the sale of Bonds

and other moneys deposited at the time of delivery of the applicable Series of Bonds in an Acquisition Account for the purpose of purchasing Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities which were not so applied in the time period provided by the related *Series Supplement*, but no later than is permitted by the Code.

(e) Provided that the applicable *Series Supplement* so permits, the Trustee shall, as provided therein or as directed by an Officer's Certificate, transfer to the applicable Special Redemption Account or Subordinated Redemption Account amounts on deposit in an Acquisition Account if the Issuer shall have determined that (i) existing conditions (or compliance with the tax covenants in **Section 7.09**) make impossible or impracticable the purchase of Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities meeting the requirements of this Indenture and any requirements of any applicable *Series Supplement* with all or any part of the amount so transferred or (ii) that it is in the best interest of the Issuer to transfer such amount to the applicable Special Redemption Account or Subordinated Redemption Account in order to comply with the tax covenants in **Section 7.09**.

Notwithstanding any other provisions of this Indenture, moneys in one or more of the Acquisition Accounts may be used to originate, finance or purchase Program Related Loans to the extent permitted by the applicable *Series Supplement* (so long as such acquisition shall not have any adverse effect on the exclusion of interest on the Bonds (other than Taxable Bonds), from gross income for federal income tax purposes or the rating or ratings on the Bonds from the Rating Agency as confirmed in writing by Bond Counsel or the Rating Agency as the case may be).

Section 5.07 Cost of Remarketing Accounts. Moneys in each Cost of Remarketing Account shall be applied to the payment of the Costs of Remarketing of the Series of Bonds for which it was created, upon receipt of an Officer's Certificate, or as provided in an exhibit to any related *Series Supplement*, stating the persons to whom and the purpose for which each payment is to be made, and the amount of such payment provided that the remarketing agents' fees may be paid by the deduction of the amount thereof from the purchase price paid for the Bonds in lieu of making payment from the Cost of Remarketing Account. Upon receipt of an Officer's Certificate stating that the Costs of Remarketing have been fully paid, the Trustee shall transfer any remaining balance to the applicable Acquisition Account or to the Revenue Fund or to the Issuer, as directed by such Officer's Certificate or as provided in the applicable *Series Supplement*, and such Account shall be closed. All interest and other income from time to time received from the deposit of moneys in any Cost of Remarketing Account, unless otherwise directed by the applicable *Series Supplement*, shall be retained in the applicable Remarketing Account.

Section 5.08 Establishment of Other Funds. Unless otherwise specified in a *Series Supplement*, the Issuer hereby establishes and creates a series of special trust funds, and in the case of any Proceeds Fund, authorizes the creation of a special trust fund, to be held as hereinafter set forth in this **Article V** and designated individually, as follows:

- (a) Revenue Fund and, within such Fund, a Revenue Account separately held and named for each Series of Bonds;
- (b) Debt Service Fund and, within such Fund, a Debt Service Account separately held and named for each Series of Senior Bonds;
- (c) Debt Service Reserve Fund and, within such Fund, a Debt Service Reserve Account separately held and named for each Series of Senior Bonds to the extent required by a Series Supplement;
- (d) Mortgage Reserve Fund and, within such Fund, a Mortgage Reserve Account separately held and named for each Series of Senior Bonds to the extent required by a Series Supplement;
- (e) Collateral Fund and, to the extent provided by a *Series Supplement*, a Collateral Account separately held and named for each Series of Senior Bonds;
- (f) Redemption Fund, and within such Fund, a Special Redemption Account and an Optional Redemption Account separately held and named for each Series of Senior Bonds;
- (g) Administration Fund;
- (h) Subordinated Debt Service Fund and, within such Fund, a Subordinated Debt Service Account and a Subordinated Redemption Account separately held and named for each Series of Subordinated Bonds;
- (i) Proceeds Fund separately created, held and named for each Series of Convertible Option Bonds or Short-Term Bonds by and in the applicable *Series Supplement*;
- (j) Rebate Fund and, within such Fund, a Rebate Account separately held and named for each Series of Bonds (other than Taxable Bonds); provided, that with respect to two or more Series of Bonds which, in the opinion of Bond Counsel, shall be treated as one issue for Federal income tax purposes, a single Rebate Account for all such Series may be established; and
- (k) Accumulation Fund, and within such Fund, if so specified in a *Series Supplement*, an Accumulation Account separately held and named for each series of Senior Bonds.

Notwithstanding the foregoing, (i) separate Accounts need not be created or maintained with respect to Bonds of separate Series issued on the same date which are primarily payable from the same source of revenues, (ii) Accounts need not be created or maintained for each Series if so provided in the related *Series Supplement* and (iii) the Issuer may cause additional Funds or Accounts to be created and maintained pursuant to a *Series Supplement* or a Supplemental Indenture.

Section 5.09 Deposits. The Issuer will collect and deposit or will require each Servicer to collect and deposit on the date of receipt so far as practicable, all Pledged Receipts and Prepayments with the Trustee or a Depository to be deposited, in the case of a Depository, in an escrow fund and the Issuer or Servicer, as the case may be, will forward, or require the Depository to forward, promptly to the Trustee statements of each amount deposited; and any amounts deposited by a Depository in an Escrow Fund shall be forwarded forthwith to the Trustee, provided, however, that the Issuer may apply, or permit a Servicer to apply, the proceeds of any hazard insurance policy to the reconstruction or restoration of the mortgaged premises with respect to which such proceeds were recovered, if the Issuer or Servicer, in its discretion, determines that the mortgagor will continue to make timely payments of Pledged Receipts on the Mortgage Loan relating to such premises. The Trustee shall be accountable only for moneys actually so deposited or held by it. All escrow payments shall be deposited in such escrow fund unless otherwise provided in the Mortgage Purchase Agreement.

All Pledged Receipts shall be identified by the Trustee with respect to the applicable Series of Bonds and, except as provided in **Section 5.12(f)** hereof with respect to the reimbursement of accrued interest paid upon the purchase of Guaranteed Mortgage Securities, deposited for credit to the applicable Revenue Accounts in the Revenue Fund and Prepayments shall be identified by the Trustee with respect to the applicable Series of Bonds and deposited for credit to the Funds and Accounts specified in the *Series Supplement* authorizing the Series of Bonds with respect to which such Prepayments were derived. In the case of Pledged Receipts relating to a Series of Refunding Bonds, such Pledged Receipts shall be identified by the Trustee as such and deposited to the Special Redemption Account, or to any escrow account established by the applicable *Series Supplement*, or to any other account as provided in the *Series Supplement* authorizing the Series of Refunding Bonds to which such Pledged Receipts relate.

To the extent that any Series of Bonds is secured by Guaranteed Mortgage Securities, the Issuer will cause all revenues derived from GNMA Certificates, including payments from GNMA pursuant to the GNMA Guaranty, all revenues derived from Fannie Mae Securities, including payments from Fannie Mae pursuant to its guaranty, and all revenues from Freddie Mac Securities, including payments from Freddie Mac pursuant to its guaranty to be deposited with the Trustee upon receipt.

If the Trustee does not receive payment or advice of payment with respect to a GNMA I Certificate constituting a Guaranteed Mortgage Security when due by the close of business on the seventeenth day of any month, the Trustee shall immediately notify the related Servicer and Participant Trust Company, or a successor depository institution ("PTC"), and, if not so paid immediately, demand payment from GNMA. If the Trustee does not receive a payment or advice of payment with respect to a GNMA II Certificate constituting a Guaranteed Mortgage Security by the close of business on the twenty-second day of any month, the Trustee shall immediately notify the then current central paying and transfer agent for GNMA II Certificates, Central Paying and Transfer Agent, and PTC, and demand payment in immediately available funds of the payment due, and, if not so paid immediately, demand payment from GNMA. If any of the days when payments are due as specified in this paragraph are not Business Days,

then, if such payments are received not later than the second succeeding Business Day following the day specified, no action shall be required to be taken by the Trustee. If the Trustee does not receive payment, or advice from the depository of payment, with respect to a Fannie Mae Security of Freddie Mac Security when due by the close of business on the twenty-fifth day of any month (or the next Business Day if the 25th is not a Business Day), the Trustee shall be entitled to demand payment from Fannie Mae or Freddie Mac connection with the guaranty of timely payments of principal and interest by Fannie Mae.

Section 5.10 Custody of Revenue Fund and Transfer Therefrom. The Revenue Fund (and within the Revenue Fund the Revenue Accounts with respect to each Series of Bonds) shall be held by the Trustee in one or more Depositories in the name of the Trustee. All interest and other income from time to time received from the deposit of moneys in the Revenue Fund shall be retained in such Fund and applied to the applicable Revenue Account or Revenue Accounts and thereafter as set forth in this **Section 5.10**, subject to the provisions of Section 5.20 hereof relating to the priority and order of payment if the moneys on deposit in the Debt Service Fund are insufficient to pay the amounts due on the Senior Bonds, **Section 7.02** relating to the subordination of right to receive payment and order of payment in the event of an insolvency of the Issuer and **Section 11.03** relating to the priority and order of payment after the occurrence of an Event of Default hereunder. From time to time, as determined by the Rebate Analyst, the Trustee shall transfer from the applicable Account of the Revenue Fund to the applicable Account of the Rebate Fund the amount needed to increase the balance therein to the Rebate Requirement for the Series of Bonds with respect to which such Rebate Account was established.

On or before the Business Day prior to each Interest Payment Date, or on such other earlier date as may be directed by any *Series Supplement*, the Trustee shall transfer from the applicable Accounts of the Revenue Fund to the following Funds and Accounts or to the Issuer the amounts indicated in the following order of priority, or so much thereof as remains after first making all prior transfers, subject to the provisions of Section 5.20 hereof:

(a) (i) into the related Debt Service Accounts in the Debt Service Fund the applicable amount needed to increase the respective balance therein to the applicable Debt Service Requirement on such Interest Payment Date;

(b) into the related Account of the Debt Service Reserve Fund, the amount needed to increase the balance therein to the Debt Service Reserve Fund Requirement applicable to such Account, or to reimburse the issuer of any Credit Facility held in such Account for amounts drawn thereunder in accordance with the terms of any reimbursement agreement related thereto, together with accrued and unpaid interest or premium then due, if any;

(c) into the applicable Account of the Mortgage Reserve Fund, the amount needed to increase the balance therein to the Mortgage Reserve Fund Requirement applicable to such account, or to reimburse the issuer of any Credit Facility held in such Account for amounts drawn thereunder related thereto in accordance with the terms of any reimbursement

agreement related thereto, together with accrued and unpaid interest or premium then due, if any;

(d) into the Administration Fund, (A) an amount equal to any accrued Credit Facility Fees related to such Account, plus the amount of any premium or other charge due and owing to the issuer of any Credit Facility delivered in satisfaction of part of or all of the Debt Service Reserve Fund Requirement or Mortgage Reserve Fund Requirement related to such Account, and as directed by an Officer's Certificate or as provided in the applicable *Series Supplement*, (B) the amount, if any, necessary to pay or provide for the ordinary fees and Ordinary Expenses of the Fiduciaries, including expenses in connection with the purchase or redemption of any Bonds of such Series, (C) an amount equal to the expenses of obtaining or maintaining Supplemental Security for such Series, (D) an amount equal to the Rebate Analyst Fee, if any and (E) an amount equal to any Issuer Fees authorized by any *Series Supplement*; provided, that any deposits into the Administration Fund pursuant to this **Section 5.10(d)** shall not exceed the amount of administration expenses assumed in the Cash Flow Statement delivered in connection with the issuance of each Series of Bonds (or the Cash Flow Statement most recently delivered), except that such administration expenses may be deposited into the Administration Fund in an amount in excess of the amount of such assumed expenses upon the delivery of a new Cash Flow Statement;

(e) as directed by an Officer's Certificate (or by the applicable *Series Supplement*) (A) into a Special Redemption Account or, (B) if permitted by the applicable *Series Supplement*, into the applicable Acquisition Account (upon the Issuer's compliance with **Section 5.06** hereof), all or a portion of the amount remaining in the applicable Revenue Account less any amount as directed by an Officer's Certificate (or by the applicable *Series Supplement*) to be retained in the Revenue Fund after such deposit;

(f) into the Subordinated Debt Service Accounts in the Subordinated Debt Service Fund, the amount needed to increase the balance therein to the Subordinated Debt Service Requirement on such Interest Payment Date or the balance in the Revenue Fund if less than such amount less any amount as directed by an Officer's Certificate (or by the applicable *Series Supplement*) to be retained in the Revenue Fund after such deposit; and

(g) into the applicable Account of the Accumulation Fund, the amount remaining in the related Account of the Revenue Fund, less any amount as directed by an Officer's Certificate (or by the applicable *Series Supplement*) to be retained in the Revenue Fund.

Section 5.11 Debt Service Fund.

(a) The Debt Service Fund shall be held by the Trustee. The Trustee shall establish and maintain separate Debt Service Accounts in the Debt Service Fund for each Series of outstanding Senior Bonds. The Trustee shall withdraw from the applicable Debt Service Account, on or prior to each Interest Payment Date, an amount equal to the unpaid interest due on the Senior Bonds of the applicable Series on such Interest Payment Date and shall cause it to

be applied to the payment of such interest when due, or shall transmit it to one or more Paying Agents who shall apply it to such payment.

(b) If the withdrawals required under subsection (a) of this Section on the same and every prior Interest Payment Date have been made, the Trustee shall withdraw from the applicable Debt Service Account, on or prior to each Principal Payment Date, an amount equal to the Principal Amount of the Outstanding Senior Bonds of the applicable Series, if any, maturing on such Principal Payment Date and shall cause it to be applied to the payment of the principal of the Bonds of such Series when due, or shall transmit it to one or more Paying Agents who shall apply it to such payment.

(c) Each withdrawal from the Debt Service Fund under subsections (a) and (b) of this Section shall be made on or immediately prior to the Interest Payment Date or Principal Payment Date to which it relates, and the amount so withdrawn shall be deemed to be part of the Debt Service Fund until such Interest Payment Date or Principal Payment Date.

(d) The Trustee shall apply money representing payments of Sinking Fund Installments in any Debt Service Account to the purchase or the redemption of Bonds of the Series for which such Debt Service Account is maintained in the manner provided in this Section and **Article IV**, provided that no such Bonds shall be so purchased during the period of thirty (30) days next preceding each Sinking Fund Installment due date established for such Bonds. The price paid by the Trustee (excluding accrued interest on Bonds but including any brokerage and other charges) for any Bond purchased pursuant to this subsection (d) shall not exceed the Redemption Price applicable on the next date on which such Bond could be redeemed in accordance with its terms as part of a Sinking Fund Installment. Subject to the limitations set forth and referred to in this Section, the Trustee shall purchase Senior Bonds at such times, for such prices, in such manner (whether after advertisement for tenders or otherwise) as may be possible with the amount of money representing Sinking Fund Installments available in the applicable Debt Service Account therefor. Accrued interest on purchased Bonds shall be paid from the applicable Debt Service Account of the Debt Service Fund, provided that the Trustee, in its discretion, may pay such accrued interest from the applicable account of the Revenue Fund pending maturity of investments of the applicable Debt Service Account of the Debt Service Fund, and in such case upon the maturity of investments in the Debt Service Fund, the Trustee shall transfer to the Revenue Fund from the Debt Service Fund the amount of accrued interest on purchased Bonds so paid from the Revenue Fund. If at any date there shall be money in such Debt Service Account and there shall be Outstanding none of the Bonds for which such Debt Service Account was established, such Debt Service Account shall be closed and the amount on deposit therein shall be transferred to the Revenue Fund and deposited or credited as provided in an Officer's Certificate or the applicable *Series Supplement*.

(e) As soon as practicable after the 45th day but not later than the 30th day prior to the due date of any Sinking Fund Installment, the Trustee shall proceed pursuant to **Section 4.04** to call for redemption on that date a Principal Amount of Senior Bonds of the Series and

maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the Principal Amount of the Senior Bonds of such Series and maturity specified for such Sinking Fund Installment. The Trustee shall withdraw from such Debt Service Account, on or prior to the due date of such Sinking Fund Installment, an amount equal to the Principal Amount of the Senior Bonds called for redemption on such date pursuant to this subsection and shall cause it and funds withdrawn from the applicable Debt Service Account of the Debt Service Fund for the payment of the accrued interest thereon to be applied to the payment of the Redemption Price thereof on such date, or shall transmit it to one or more Paying Agents who shall apply it to such payment.

If the Trustee shall purchase or redeem (other than pursuant to a Sinking Fund Installment) in any Bond Year Senior Term Bonds subject to redemption from moneys in the Special Redemption or Optional Redemption Account in excess of the aggregate Sinking Fund installment in respect of such Term Bonds for such Bond Year, the Trustee shall file with the Issuer, not later than the 20th day preceding the close of such Bond Year, a statement identifying such Term Bonds purchased and called for redemption during such Bond Year. The Trustee, not later than the 10th day preceding the close of such Bond Year, shall set forth with respect to the amount of such excess the years in which Sinking Fund Installments are to be reduced and the respective amounts by which such Sinking Fund Installments are to be reduced, as computed on a pro rata basis or as otherwise set forth in a *Series Supplement*.

Upon the retirement of any Senior Bonds by purchase or redemption pursuant to this Section, the Trustee shall file with the Issuer a statement identifying such Bonds and setting forth the date of their purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon.

(f) All interest and other income from time to time received from the deposit and investment of moneys in accounts in the Debt Service Fund shall be transferred upon receipt to the applicable account in the Revenue Fund.

(g) No amount shall be withdrawn or transferred from or paid out of the Debt Service Fund except as provided in this Section. Once moneys are deposited into any Debt Service Account, such moneys shall be held exclusively for the payment of the debt service on the Series of Bonds with respect to which such Debt Service Account was established unless transferred thereto inadvertently.

Section 5.12 Debt Service Reserve Fund.

(a) The Debt Service Reserve Fund shall be held by the Trustee and applied and used as provided in Section 5.20 hereof and in the applicable *Series Supplement* to cure deficiencies in the Debt Service Reserve Fund, or, to the extent provided in subparagraph (f) of this Section 5.12, to pay accrued interest in connection with the purchase of Guaranteed Mortgage Certificates; provided, however, that no moneys shall be transferred from the Debt Service Reserve Fund if other moneys are available for such purpose in any other Fund or

Account listed in Section 5.20. The Debt Service Reserve Fund shall be held by the Trustee and applied and used as provided in Section 5.20 hereof and in the applicable *Series Supplement*.

(b) All interest and other income from time to time received from the deposit and investment of moneys in the applicable Account of the Debt Service Reserve Fund shall be transferred upon receipt to the applicable Account of the Revenue Fund.

(c) If, as of the date the Trustee is required to value the Debt Service Reserve Fund pursuant to the *Series Supplement*, the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, the Trustee shall withdraw any amount therein in excess of the Debt Service Reserve Fund Requirement and transfer such amount to the applicable Account of the Revenue Fund, unless the applicable *Series Supplement* directs such excess to be deposited to one or more Special Redemption Accounts.

(d) The Issuer may satisfy the portion of Debt Service Reserve Fund Requirement attributable to a Series of Bonds by the deposit of a Credit Facility as shall be specified in the *Series Supplement* establishing such portion of the Debt Service Reserve Fund Requirement. All matters relating to the procedures for making a claim or draw under such credit instruments shall be set forth in the *Series Supplement* establishing such portion of the Debt Service Reserve Fund Requirement; provided, however, that the obligation of the Issuer to reimburse such issuer shall be subordinated to the payment of the principal of and interest on the Senior Bonds.

(e) Notwithstanding anything to the contrary contained herein, if the Trustee is required to withdraw any amount in the Debt Service Reserve Fund pursuant to paragraph (a) above, such withdrawal shall be charged against the various Series Accounts in the Debt Service Reserve Fund in the following order of priority:

(i) all cash (including amounts invested in Permitted Investments) in the Account related to the Series of Bonds with respect to which such withdrawal is made, shall be withdrawn;

(ii) any Credit Facility in the Account related to the Series of Bonds with respect to which such withdrawal is made shall be drawn upon;

(iii) any cash (including amounts invested in Permitted Investments) in any of the other Accounts of the Debt Service Reserve Fund (except the account referred to in clause (i) above);

(iv) any Credit Facility in any of the other accounts of the Debt Service Reserve Fund (except the Account referred to in clause (ii) above) shall be drawn upon to the extent permitted thereby; and

(v) any withdrawal referred to in (iii) or (iv) above shall be on a pro rata basis among such accounts, as nearly as is practicable.

Cash on deposit in the applicable Account of the Debt Service Reserve Fund shall be used (or Permitted Investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Debt Service Reserve Fund credit instrument on deposit or held in or for such Account.

(f) If so provided by a *Series Supplement*, moneys in an applicable account in the Debt Service Reserve Fund may also be used to pay accrued interest on Guaranteed Mortgage Securities on each purchase of Guaranteed Mortgage Securities with respect to a Series of Senior Bonds, provided that amounts withdrawn to pay accrued interest shall be replenished to the applicable account in the Debt Service Reserve Fund from amounts received on the applicable Guaranteed Mortgage Securities in the month following their purchase. In addition, if so provided by the applicable *Series Supplement*, upon termination of the period for purchase of Guaranteed Mortgage Securities, upon receipt of an opinion of Bond Counsel that such action will not adversely affect the tax-exempt status of the Bonds (other than Taxable Bonds), the Issuer may elect to withdraw all or a portion of the monies on deposit in the applicable account in the Debt Service Reserve Fund for any lawful purpose upon delivery to the Trustee of a request accompanied by a Cash Flow Statement and written confirmation from each Rating Agency that such withdrawal will not adversely affect the then existing rating on the Bonds.

Section 5.13 Mortgage Reserve Fund.

(a) The Mortgage Reserve Fund shall be held by the Trustee and a separate Account therein shall be established with respect to each Series of Bonds to the extent provided in a *Series Supplement*. Moneys in the Mortgage Reserve Fund shall be applied and used as provided in Section 5.20 hereof and in the applicable *Series Supplement* to cure deficiencies in the Debt Service Fund; provided, however, that no moneys shall be transferred from the Mortgage Reserve Fund for such purpose if other moneys are available for such purpose in any other Fund or Account listed in Section 5.20 (except the Debt Service Reserve Fund).

(b) Moneys in the Mortgage Reserve Fund may also be withdrawn from time to time, as directed by Officer's Certificates or the applicable *Series Supplement*, and applied to the payment of any taxes, foreclosure costs, insurance fees, legal fees or other expenses which may be necessary to maintain the priority of the Issuer's lien on, or preserve the value of, any property securing a Mortgage Loan or to maintain in full force and effect any insurance on or guaranty of a Mortgage Loan.

(c) All interest and other income from time to time received from the deposit and investment of moneys in an account of the Mortgage Reserve Fund relating to a Series of Bonds shall be transferred upon receipt to the corresponding account of the Revenue Fund if and only if the amounts remaining after the transfer are at least equal to the Mortgage Reserve Fund Requirement.

(d) If, as of the date identified in a *Series Supplement*, the amount in the applicable Account of the Mortgage Reserve Fund exceeds the portion of the Mortgage Reserve Fund

Requirement attributable to such Series, the Trustee shall withdraw any amount therein in excess of such portion of the Mortgage Reserve Fund Requirement and transfer such amount to the corresponding Account of the Revenue Fund, unless the applicable *Series Supplement* directs such excess to be deposited in one or more Special Redemption Accounts.

(e) Except as provided in this Section and in Section 5.20, no amount shall at any time be withdrawn or transferred from the Mortgage Reserve Fund.

(f) The Issuer may satisfy the portion of Mortgage Reserve Fund Requirement attributable to a Series of Bonds by the deposit of a Credit Facility as shall be specified in the *Series Supplement* establishing such portion of Mortgage Reserve Fund Requirement. All matters relating to the procedures for making a claim or draw under such Credit Facility shall be set forth in the *Series Supplement* establishing such portion of Mortgage Reserve Fund Requirement; provided, however, that the obligation of the Issuer to reimburse such issuer shall be subordinated to the payment of the principal of and interest on the Senior Bonds.

(g) Notwithstanding anything to the contrary contained herein, if the Trustee is required to withdraw any amount in the Mortgage Reserve Fund pursuant to paragraph (a) or (b) above, such withdrawal shall be charged against the various Series Accounts in the Mortgage Reserve Fund in the following order of priority:

(i) all cash (including amounts invested in Permitted Investments) in the Account related to the Series of Bonds with respect to which such withdrawal is made, shall be withdrawn;

(ii) any Credit Facility in the Account related to the Series of Bonds with respect to which such withdrawal is made shall be drawn upon;

(iii) any cash (including amounts invested in Permitted Investments) in any of the other Accounts of the Mortgage Reserve Fund (except the account referred to in clause (i) above);

(iv) any Credit Facility in any of the other accounts of the Mortgage Reserve Fund (except the Account referred to in clause (i) above) shall be drawn upon to the extent permitted thereby; and

(v) any withdrawal referred to in (iii) or (iv) above shall be on a pro rata basis among such accounts as nearly as is practicable.

Section 5.14 Redemption Fund.

(a) The Redemption Fund shall be held by the Trustee. The Trustee shall establish a Special Redemption Account in the Redemption Fund for each Series of Senior Bonds, in which it shall deposit, unless otherwise required by the applicable *Series Supplement*, Prepayments and Surplus Pledged Receipts transferred from the Revenue Fund under **Section 5.10** or the

Acquisition Account under Section 5.06. Any moneys on deposit in a Special Redemption Account not needed for application to pay Debt Service or to satisfy a portion of the Debt Service Reserve Fund Requirement or the Mortgage Reserve Fund Requirement as provided in Sections 5.10 and 5.20 hereof shall be used and applied, as soon as practicable following the receipt thereof, but not later than twelve (12) months after such receipt or as otherwise specified in a *Series Supplement*, for any of the following purposes:

(i) to the redemption of Bonds of the applicable Series of Senior Bonds as permitted or required by **Article IV** hereof; or

(ii) to the purchase of Bonds of the applicable Series of Senior Bonds identified pursuant to (i) above at the most advantageous price obtainable with due diligence, but only upon receipt of an Officer's Certificate, or as provided in the applicable *Series Supplement*, stating the Series, and the Principal Amounts and maturities of the Senior Bonds to be purchased and that in no Bond Year will the Debt Service be greater as a result of such purchase than if such moneys had been used to redeem Senior Bonds, together with a Cash Flow Statement for each Bond Year following such purchase; provided that no such purchase shall be made at a price in excess of the Redemption Price applicable on the next ensuing redemption date, and that no such purchase shall be made during the period of thirty-five (35) days next preceding a redemption date from moneys to be applied pursuant to clause (i) above to the redemption of Senior Bonds on such date; or

(iii) to the redemption of Bonds of any Series of Senior Bonds as permitted or required by **Article IV** hereof, but only after receipt of a favorable Opinion of Bond Counsel; or

(iv) to the purchase of Bonds of any Series of Senior Bonds at the most advantageous price obtainable with due diligence, but only upon receipt of (A) a designation by an Officer's Certificate, or in the applicable *Series Supplement*, stating the Series, and the Principal Amounts and maturities of the Senior Bonds to be purchased and confirmation that in no Bond Year will the Debt Service be greater as a result of such purchase than if such moneys had been used to redeem Senior Bonds, together with a Cash Flow Statement for each Bond Year following such purchase and (B) a forwarded Opinion of Bond Counsel; provided that no such purchase shall be made at a price in excess of the Redemption Price applicable on the next ensuing redemption date, and that no such purchase shall be made during the period of thirty-five (35) days next preceding a redemption date from moneys to be applied pursuant to clause (i) above to the redemption of Senior Bonds on such date.

(b) The Trustee shall establish an Optional Redemption Account in the Redemption Fund for each Series of Senior Bonds, in which it shall deposit all amounts paid to the Trustee for deposit in such Account as designated in an Officer's Certificate and the proceeds of any Series of Refunding Bonds which are to be applied to refund Bonds Outstanding hereunder or

bonds or debts outstanding under other resolutions, agreements or indentures of the Issuer. Any moneys on deposit in the Optional Redemption Account shall be used and applied, within twelve (12) months after the receipt thereof, or as soon thereafter as practicable, for either or both of the following purposes:

(i) to the optional redemption of Bonds of the applicable Series of Senior Bonds as may be designated by a *Series Supplement* or by an Officer's Certificate; or

(ii) to the purchase of Bonds of the applicable Series of Senior Bonds identified pursuant to (i) above at the most advantageous price obtainable with due diligence; provided that no such purchase shall be made at a price in excess of the Redemption Price applicable on the next ensuing redemption date, and that no such purchase shall be made during the period of thirty (30) days next preceding a redemption date from moneys to be applied pursuant to clause (i) above to the redemption of Senior Bonds on such date.

(c) Accrued interest on purchased Senior Bonds shall be paid from the applicable Account of the Debt Service Fund, provided that the Trustee, in its discretion, may pay such accrued interest from the applicable Account in the Revenue Fund pending maturity of investments of the Debt Service Fund, and in such case upon the maturity of investments in the Debt Service Fund, the Trustee shall transfer to the Revenue Fund from the Debt Service Fund the amount of accrued interest on purchased Senior Bonds so paid from the Revenue Fund.

(d) All interest and other income from time to time received from the deposit and investment of moneys in the Redemption Fund shall be transferred upon receipt to the applicable Account in the Revenue Fund unless otherwise specified by the applicable *Series Supplement* or in an Officer's Certificate.

(e) No amount shall be withdrawn or transferred from or paid out of the Redemption Fund except as provided in this Section and in Section 5.20 unless funds were deposited thereto inadvertently.

Section 5.15 Subordinated Debt Service Fund.

(a) The Subordinated Debt Service Fund shall be held by the Trustee. The Trustee shall withdraw from the Subordinated Debt Service Fund, on or prior to each Interest Payment Date, an amount equal to the unpaid interest due on the Subordinated Bonds of each Series on that date and shall cause it to be applied to the payment of such interest when due, or shall transmit it to one or more Paying Agents who shall apply it to such payment.

(b) If the withdrawals required under subsection (a) of this Section on the same and every prior date have been made, the Trustee shall withdraw from the Subordinated Debt Service Fund, on or prior to each Principal Payment Date, an amount equal to the Principal Amount of the Outstanding Subordinated Bonds, if any, maturing on that date and shall cause

it to be applied to the payment of the principal of such Outstanding Subordinated Bonds when due, or shall transmit it to one or more Paying Agents who shall apply it to such payment.

(c) Each withdrawal from the Subordinated Debt Service Fund under subsections (a) and (b) of this Section shall be made on or immediately prior to the Interest Payment Date or Principal Payment Date to which it relates, and the amount so withdrawn shall be deemed to be part of the Subordinated Debt Service Fund until such Interest Payment Date or Principal Payment Date.

(d) Any moneys deposited in a Subordinated Redemption Account shall be used and applied, as soon as practicable after the receipt thereof, but not later than twelve (12) months after such receipt, to the redemption of Subordinated Bonds of the Series for which such Subordinated Redemption Account was established, as directed in a *Series Supplement*.

(e) All interest and other income from time to time received from the deposit and investment of moneys in the Subordinated Debt Service Fund shall be transferred upon receipt to the Revenue Fund.

(f) Subject to the provisions of Sections 5.20 and 7.02, no amount shall be withdrawn or transferred from or paid out of the Subordinated Debt Service Fund except as provided in this Section unless funds were deposited thereto inadvertently.

Section 5.16 Rebate Fund.

(a) The Rebate Fund shall be held by the Trustee. The Trustee shall establish a separate Rebate Account within the Rebate Fund separately held and named for each Series of Bonds (except Taxable Bonds); provided, that with respect to two or more Series of Bonds which, in the opinion of Bond Counsel, shall be treated as one issue for Federal income tax purposes, a single Rebate Account for all such Series may be established. Moneys transferred to each Rebate Account pursuant to **Section 5.10** shall be applied for the purpose or purposes and in the manner provided in the *Series Supplement* for such Series of Bonds, including without limitation payment to the United States of America.

(b) If, prior to the time of any required payment out of the Rebate Fund, the amounts in the Rebate Fund shall be insufficient to make such payment when such payment is due, the Rebate Analyst shall direct the Trustee in writing to deposit an amount equal to such deficiency into the Rebate Fund out of any funds on deposit in the Revenue Fund.

(c) If, as of any date, the amount on deposit in the Rebate Fund exceeds the Rebate Requirement as determined by the Rebate Analyst, the Trustee shall withdraw such excess amount and deposit it in the Revenue Fund.

Section 5.17 Proceeds Fund.

(a) The Proceeds Fund shall be held by the Trustee. The Trustee shall establish and maintain a separate Proceeds Fund for the Outstanding Convertible Option Bonds or Short-Term Bonds of each Series. The Trustee shall withdraw from the applicable Proceeds Fund, on or prior to each Interest Payment Date, an amount equal to the unpaid interest due on the Convertible Option Bonds or Short-Term Bonds of the related Series on that date and shall cause it to be applied to the payment of such interest when due, or shall transmit it to one or more Paying Agents who shall apply it to such payment.

(b) If the withdrawals required under subsection (a) of this Section on the same and every prior date have been made, the Trustee shall withdraw from the applicable Proceeds Fund, on or prior to each Principal Payment Date, an amount equal to the Principal Amount of the Outstanding Convertible Option Bonds or Short-Term Bonds of the related Series, if any, maturing on that date and shall cause it to be applied to the payment of the principal of such Outstanding Convertible Option Bonds or Short-Term Bonds of such Series (but not any other Series) when due, or shall transmit it to one or more Paying Agents who shall apply it to such payment.

(c) Each withdrawal from a Proceeds Fund under subsections (a) and (b) of this Section shall be made on or immediately prior to the Interest Payment Date or Principal Payment Date to which it relates, and the amount so withdrawn shall be deemed to be part of the applicable Proceeds Fund until such Interest Payment Date or Principal Payment Date.

(d) Any moneys deposited in a Proceeds Fund shall be used and applied, as soon as practicable after the receipt thereof, but not later than the date provided in the applicable *Series Supplement*, to the redemption of Convertible Option Bonds or Short-Term Bonds of the Series for which such Proceeds Fund was established.

(e) All interest and other income from time to time received from the deposit and investment of moneys in a particular Proceeds Fund shall be retained in such Proceeds Fund until the relevant Series of Convertible Option Bonds or Short-Term Bonds have been paid or deemed paid hereunder and, thereafter, shall be transferred to the Revenue Fund upon written direction by the Issuer.

(f) No amount shall be withdrawn or transferred from or paid out of a Proceeds Fund except as provided in this Section unless funds were deposited inadvertently.

Section 5.18 Administration Fund.

(a) The Administration Fund shall be held by the Trustee, into which there shall be deposited the amounts required to be transferred from the Revenue Fund pursuant to **Section 5.10(d)**.

(b) Moneys deposited in the Administration Fund shall be applied by the Trustee, from time to time, as provided in the applicable *Series Supplement* or as otherwise demonstrated in a Cash Flow Statement, to the payment of ordinary fees and Ordinary Expenses of Fiduciaries, including expenses of purchase or redemption of Bonds (but not the Purchase Price or Redemption Price), to the payment of Credit Facility Fees (plus the amount of any premium or other charge due and owing to the issuer of any credit instrument delivered in satisfaction of part or all of any Debt Service Reserve Fund Requirement or Mortgage Reserve Fund Requirement) and to the payment of premiums or other charges with respect to any Supplemental Security, respectively.

(c) All interest and other income from time to time received from the deposit and investment of moneys in the Administration Fund shall be transferred to the Revenue Fund.

(d) No amount shall be withdrawn or transferred from or paid out of the Administration Fund except as provided in this Section and Section 5.20 unless funds were deposited inadvertently.

Section 5.19 Accumulation Fund. (a) The Accumulation Fund shall be held by the Trustee. Whenever there is no deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Mortgage Reserve Fund, the Rebate Fund, the Administration Fund, any Proceeds Fund, the Subordinated Debt Service Fund (so long as the Accumulation Fund is held as security for the related Series of Bonds) or any other fund or account held as security for a Series of Bonds that is secured by funds on deposit in the Accumulation Fund, any moneys in the Accumulation Fund, unless otherwise provided in a *Series Supplement*, may be withdrawn from such Fund from time to time, upon requisitions signed by an Authorized Officer, and may be used by the Issuer for any lawful purposes; provided that at the time of each such withdrawal and taking into account such withdrawal the Issuer shall file (i) if required by the Rating Agency, a Cash Flow Statement with the Trustee, and (ii) an Officer's Certificate or Accountant's Certificate with the Trustee showing that the unpaid principal amount of all Mortgage Loans or Program Related Loans and all Guaranteed Mortgage Securities outstanding constituting Pledged Property, plus the amounts on deposit (excluding the amount of any Credit Facility as may be specified in a *Series Supplement* but including any accrued but unpaid interest on such amounts on deposit) in all Funds and Accounts hereunder (except the Rebate Fund, the Administration Fund and the Proceeds Fund) shall equal or exceed 102% of the aggregate Principal Amount of all Bonds except for Convertible Option Bonds and Short-Term Bonds then Outstanding, plus any accrued and unpaid interest thereon and accrued and unpaid expenses.

(b) If, as of the date identified in a *Series Supplement*, there is a deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Mortgage Reserve Fund, the Rebate Fund or the Subordinated Debt Service Fund (so long as the Accumulation Fund is held as security for the related Series of Bonds) or any other fund or account held as security for a Series of Bonds that is secured by funds on deposit in the Accumulation Fund, the Trustee shall withdraw from the Accumulation Fund and deposit in such Fund the amount necessary to remedy such deficiency and shall give written notice to the Issuer of such withdrawal.

(c) Except as otherwise provided in a *Series Supplement*, so long as there is no deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Mortgage Reserve Fund or the Subordinated Debt Service Fund, the Issuer may at any time direct the Trustee in writing to deposit moneys from the Accumulation Fund in any Fund or Account established for any Series of Senior Bonds under this Indenture; provided, that, prior to depositing such moneys in a Cost of Issuance, Cost of Remarketing or Capitalized Interest Account the provisions of clauses (i) and (ii) of subsection (a) above shall apply.

(d) All interest and other income from time to time received from the deposit and investment of moneys in the Accumulation Fund shall be retained therein.

Section 5.20 Priority of Payments. To the extent that (i) moneys in an Account in the Debt Service Reserve Fund shall be insufficient to pay when due any Principal Installment of or interest on the Senior Bonds, or (ii) that deficiencies exist in any Account of the Rebate Fund, the Debt Service Reserve Fund, the Mortgage Reserve Fund or the Administration Fund, the Trustee shall make withdrawals for such Principal Installment or interest, to the extent of such insufficiency, on or before the last Business Day before such Principal Installment or interest is due, or for the purpose of curing such deficiency, after the payment of any Principal Installment or interest due on such date on any Senior Bond, on the day all such other prior transfers directed by this Section 5.20 are made, from the following Funds and Accounts in the following order of priority or such other order of priority as the Issuer shall designate by an Officer's Certificate delivered to the Trustee or in a *Series Supplement* as provided below:

- (a) any Revenue Account(s) in the Revenue Fund;
- (b) any Capitalized Interest Account(s) in the Program Fund;
- (c) any Accumulation Account(s) in the Accumulation Fund;
- (d) any Special Redemption Account(s) in the Redemption Fund;
- (e) any Mortgage Loan Acquisition Account(s) in the Program Fund;
- (f) any Subordinated Debt Service Accounts(s) in the Subordinated Debt Service Fund;
- (g) Subject to the limitations contained in Section 5.23, the appropriate subaccount of the Collateral Fund;
- (h) any Mortgage Reserve Account(s) in the Mortgage Reserve Fund; and
- (i) any Debt Service Reserve Account(s) in the Debt Service Reserve Fund.

Unless otherwise provided in a *Series Supplement* or otherwise directed by the Issuer, withdrawals from the foregoing Funds and Accounts shall be made first from the Accounts

within such Funds or Accounts allocable to the related Series of Bonds and from cash deposits prior to Credit Facilities, then from the Accounts allocable to all other Bonds on a pro rata basis. In the event moneys in the Debt Service Fund shall be insufficient to pay Debt Service when due on one or more Series of Senior Bonds, such insufficiency shall be cured on a prorata basis among such Senior Bonds.

Notwithstanding the foregoing provisions, moneys in the Redemption Fund which are to be applied to redeem Senior Bonds as to which unconditional notice of redemption has been given or as to which binding arrangements to purchase Senior Bonds in lieu of redemption have been made by the Trustee shall not be so withdrawn.

Section 5.21 Redemption of Subordinated Bonds When No Senior Bonds Outstanding. Notwithstanding any other provisions of this Indenture, whenever there are no Senior Bonds Outstanding, any available moneys in any Fund or Account under this Indenture (except the Rebate Fund, any Proceeds Fund or any Remarketing Account to the extent moneys on deposit therein are being held to pay the purchase price of Tender Bonds) may be applied by the Trustee, as directed by an Officer's Certificate or as provided in the applicable *Series Supplement*, as soon as practicable to the redemption of any Outstanding Subordinated Bonds.

Section 5.22 Creation of Funds and Accounts in Supplemental Indentures. The Issuer hereby reserves the right to create additional Funds or Accounts in a Supplemental Indenture or a *Series Supplement* if such Funds and Accounts relate only to the corresponding Series of Bonds, which shall be pledged as provided therein. The Trustee shall have the right to create additional Funds and Accounts as it deems necessary or appropriate to track moneys within the Indenture and to effectuate the purposes hereof and of any *Series Supplement*. No additional Funds or Accounts created in the manner described in the foregoing sentence shall have the effect of reducing or diluting the security for any Outstanding Bonds and no such additional Funds or Accounts may be created without the prior written consent of each Rating Agency and each issuer of a Credit Facility, if any (except if such Funds or Accounts are not pledged to the repayment of the Bonds, in which case such consents shall not be required.)

Section 5.23 Collateral Fund.

(a) The Collateral Fund shall be held by the Trustee. Upon the issuance of each Series of Bonds the Issuer shall deposit into the Account in the Collateral Fund related to that Series an amount equal to the Collateral Fund Requirement, if any, as specified in the *Series Supplement* pursuant to which such Series is issued. Except in the case of two or more Series of Bonds issued on the same date, amounts in each subaccount of the Collateral Fund shall be held exclusively for the benefit of the owners of the Series of Bonds with respect to which such Account was established and to pay the items set forth below. Except in the case of two or more Series of Bonds issued on the same date, no Series of Bonds shall have any claim to or interest in the funds held in the Account of the Collateral Fund other than the Account established in connection with that Series of Bonds.

(b) Moneys in the applicable Account in the Collateral Fund shall be used and applied as provided in Section 5.20 hereof and in the applicable *Series Supplement* to cure any deficiencies in the Account of the Debt Service Fund corresponding to the applicable Series of Bonds; provided, however, that no moneys shall be transferred from any Account of the Collateral Fund if other moneys are available for such purpose in any Fund or Account listed in Section 5.20 (except the Mortgage Reserve Fund and the Debt Service Reserve Fund), and provided further that moneys in any Account of the Collateral Fund may only be used to make up deficiencies in the Account of the Debt Service Fund corresponding to the Series of Bonds in connection with which that Account was established.

(c) Moneys in any Account of the Collateral Fund may also be withdrawn from time to time, as directed by an Officer's Certificate, and applied to the payment of any taxes, foreclosure costs, insurance premiums, legal fees or other expenses which may be necessary to maintain the priority of the Issuer's lien on, or preserve the value of, any property securing a Mortgage Loan or Program Related Loan acquired in connection with the Series of Bonds related to such Account.

(d) All interest and other income from time to time received from the deposit and investment of moneys in an Account of the Collateral Fund shall be transferred upon receipt to the Account of the Revenue Fund corresponding to the Series of Bonds with respect to which such Account was established.

(e) If, as of any date, the amount in any Account of the Collateral Fund exceeds the Collateral Fund Requirement applicable to such Account, the Issuer may, by an Officer's Certificate, direct the Trustee to withdraw any amount therein in excess of such Collateral Fund Requirement and transfer such amount to the applicable Account of the Revenue Fund or of the Redemption Fund, as specified in the applicable *Series Supplement*.

(f) Except as provided in this Section, no amount shall at any time be withdrawn or transferred from the Collateral Fund.

(g) The Issuer may satisfy part or all of any Collateral Fund Requirement by deposit of a surety bond, insurance policy or letter of credit as shall be specified in the *Series Supplement* establishing such Collateral Fund Requirement. All matters relating to the procedures for making a claim or draw under such surety bond, insurance policy or letter of credit and to the obligation of the Issuer to reimburse the issuer of any such instruments for any such claim or draw shall be set forth in the *Series Supplement* establishing such Collateral Fund Requirement; provided, however, that the obligation of the Issuer to reimburse such issuer shall be subordinate to the payment of the principal of and interest on the Senior Bonds.

ARTICLE VI
SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 6.01 Security for Deposits. All moneys described in the definition of Pledged Property in Section 1.01 hereof held hereunder by any Fiduciary shall be held in trust and continuously and fully secured for the benefit of the Issuer and the Holders of the Bonds in the manner required by this Article; provided, however, that, except as may be required by the laws of the State, it shall not be necessary for any Fiduciary to give security for the deposit of any moneys with it held in trust for the payment of the principal or Redemption Price or purchase price of or interest on Bonds, or for the Fiduciaries to give security for any moneys which shall be represented by obligations purchased under the provisions of this Indenture as an investment of such moneys.

Section 6.02 Investment and Deposit of Funds.

(a) The Issuer and each Fiduciary shall keep all money held by it, as continuously as reasonably possible, invested and reinvested in Permitted Investments toward the objective that such Permitted Investments shall mature or be subject to redemption at the option of the holder thereof at the times and in the amounts specified below or as otherwise provided in any *Series Supplement* for the Fund or Account to which it pertains:

(i) for the Acquisition Accounts, at the times and in the amounts necessary to provide funds for the purchase of Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities and for the other purposes described in Section 5.06 pursuant to an Officer's Certificate or the *Series Supplement*;

(ii) for the Revenue Fund, at the times and in the amounts necessary to provide funds for the disbursements therefrom;

(iii) for the Debt Service Fund and the Subordinated Debt Service Fund, at the times and in the amounts necessary to provide funds for payment when due of interest and Principal Installments on the Bonds;

(iv) for the Redemption Fund, at the times and in the amounts necessary to provide funds for the purposes described in Section 5.14;

(v) for the Debt Service Reserve Fund, at the times and in the amounts necessary to provide funds for the disbursements therefrom pursuant to the *Series Supplement*, provided that such Permitted Investments shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the final scheduled maturity date of any Bonds Outstanding at the date of calculation;

(vi) for the Mortgage Reserve Fund, at the times and in the amounts necessary to provide funds for the purposes described in Section 5.13 pursuant to the *Series Supplement*;

(vii) for the Rebate Fund, at the times and in the amounts necessary to provide funds for disbursements therefrom in accordance with the *Series Supplement*;

(viii) for the Administration Fund, at the times and in the amounts necessary to provide funds for the purposes described in Section 5.18 pursuant to the *Series Supplement*;

(ix) for the Accumulation Fund, at the times and in the amounts necessary to provide funds for the purposes described in Section 5.19, pursuant to the *Series Supplement*; and

(x) for the Proceeds Funds, Capitalized Interest Accounts, the Cost of Issuance Accounts, the Collateral Fund and the Cost of Remarketing Accounts, at the times and in the manner specified in the applicable *Series Supplement*.

A Fiduciary shall invest money in the Funds and Accounts created hereunder in one or more Permitted Investments as may be specified in a *Series Supplement*. In the absence of direction from the Issuer in the form of an Officer's Certificate, moneys in any Fund or Account shall be continuously invested and reinvested or deposited and redeposited by the Fiduciaries in Permitted Investments consistent with the liquidity requirement set forth in this Section 6.02 above and other requirements of this Indenture and a *Series Supplement*.

(b) Moneys in any Fund or Account created and established by, or maintained pursuant to, this Indenture and held by a Fiduciary may be invested in common with moneys held in any other such Fund or Account; provided, however, that the common investments with such other moneys constitute Permitted Investments; and provided, further, that such investments are held by the same Fiduciary acting in the same capacity.

(c) Obligations purchased as an investment of moneys in any Fund or Account held by a Fiduciary hereunder shall be deemed at all times to be a part of such Fund or Account and the income or interest earned by, or increment to, any such Fund or Account due to the investment and reinvestment thereof shall be retained in such Fund or Account as part thereof, except as otherwise provided in this Indenture or the applicable *Series Supplement* and subject to the required transfer thereof from such Fund or Account pursuant to this Section. A Fiduciary shall sell at the best price obtainable, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made; provided, however, that in lieu of liquidating any such investment obligations and transferring the proceeds thereof, a Fiduciary may transfer investment obligations which will mature and the proceeds of which will be available on or before the date such proceeds are required for the purposes of this Indenture. Each Fiduciary shall advise the Issuer in writing, on or before the

(d) Unless otherwise provided in a *Series Supplement*, in computing the amount in any Fund or Account held by a Fiduciary or the Issuer under the provisions of this Indenture, obligations purchased as an investment of moneys therein shall be valued at the lesser of the market price thereof or the Amortized Cost thereof, plus accrued interest. For the purposes hereof, "Amortized Cost," when used with respect to obligations purchased at par, shall mean the par value thereof, and when used with respect to obligations purchased at a premium above or at a discount below par, shall mean the value as of any given date obtained by dividing the total amount of the premium or discount at which such obligations were purchased by the number of interest payments remaining to maturity (or total number of days remaining to maturity, in the case of obligations with a term of less than one year) on such obligations after such purchase and by multiplying the amount so calculated by the number of interest payment dates having passed since the date of such purchase (or, if interest thereon shall not be payable prior to maturity, the number of six-month periods having passed since the date of such purchase), or in the case of obligations of less than one year the number of days having passed since the day of such purchase and (i) in the case of obligations purchased at a premium, deducting the product thus obtained from the purchase price or (ii) in the case of obligations purchased at a discount, adding the product thus obtained to the purchase price.

Section 6.03 Liability of the Fiduciaries for Investments. No Fiduciary shall be liable or responsible for making any investment authorized by the provisions of this Article or directed to be made in the manner authorized by the provisions of this Article, in the manner provided in this Article, or for any depreciation in the value of such investment or for any loss resulting from any such investment so made or directed to be made in the manner authorized by the provisions of this Article, except for its own negligence or willful misconduct. A Fiduciary may make investments through its own bond or investment department (or any affiliate thereof) and receive reasonable and customary compensation therefor.

ARTICLE VII PARTICULAR COVENANTS

Section 7.01 Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid, solely from the sources pledged and provided herein, the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds according to the true intent and meaning thereof; provided, that the Bonds shall be special, limited obligations of the Issuer as described in **Section 2.01(e)** hereof.

Section 7.02 Subordinated Bonds; Convertible Option Bonds; Short-Term Bonds.

(a) The Issuer covenants that the obligations, liability and indebtedness of the Issuer evidenced by the Subordinated Bonds and the payment of the principal or Redemption Price

thereof, and interest thereon shall be subordinate and subject in right of payment to the prior payment of all Senior Bonds and other amounts specified in **Section 5.10** hereof, as provided in this Indenture. The Issuer further covenants with respect to the issuance of Subordinated Bonds that:

(1) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Issuer or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Issuer, whether or not involving insolvency or bankruptcy, and following written notice to the Trustee of the happening of any such event, the Holders of all Senior Bonds then Outstanding shall be entitled to receive payment in full of all principal or Redemption Price of and interest on all such Senior Bonds before the Holders of Subordinated Bonds are entitled to receive any payment from Pledged Property on account of principal, Redemption Price or interest upon any Subordinated Bonds;

(2) If any Event of Default shall have occurred and be continuing (under circumstances when the provisions of paragraph (1) above shall not be applicable), and the Trustee attempts to remedy the Event of Default by accelerating payment of Senior Bonds, or if there is an Event of Default resulting from the failure in payment of principal or Redemption Price of or interest on any Senior Bonds, the Holders of all Senior Bonds then Outstanding shall be entitled to receive payment in full of all principal or Redemption Price of and interest on all such Senior Bonds before the Holders of any Subordinated Bonds are entitled to receive any payment from Pledged Property or Pledged Receipts of principal, Redemption Price or interest upon the Subordinated Bonds;

(3) No Holder of Senior Bonds shall be prejudiced in his right to enforce subordination with respect to Subordinated Bonds by any act or failure to act on the part of the Issuer;

(4) The provisions of paragraphs (1), (2) and (3) above are solely for the purpose of defining the relative rights of the Holders of the Senior Bonds on the one hand, and the Holders of Subordinated Bonds on the other hand, and no provision of this Indenture shall impair, as between the Issuer and the Holders of any Subordinated Bonds, the obligation of the Issuer, which may be conditional or unconditional and absolute, to pay to the Holders of any Subordinated Bonds the principal thereof and premium, if any, and interest thereon in accordance with their terms from amounts available in the Subordinated Debt Service Fund; no provision of this Indenture shall prevent the Holders of any Subordinated Bonds from exercising all remedies otherwise permitted by applicable law or under this Indenture upon any default under this Indenture, subject to the rights under paragraphs (1), (2) and (3) above of the Holders of Senior Bonds to receive cash, property or securities otherwise payable or delivered to the Holders of any Subordinated Bonds;

(5) Subject to the payment of the Senior Bonds provided in the foregoing provisions of this Section, the Holders of any Subordinated Bonds shall be subrogated to the rights of the Holders of the Senior Bonds to receive payments or distributions of cash, property or securities of the Issuer applicable to the Senior Bonds until all amounts owing on any Senior Bond shall be paid in full and, as between the Issuer, on the one hand, and the Holders of any Subordinated Bonds on the other hand, no such payment or distribution made to the Holders of Senior Bonds by virtue of this Section which otherwise would have been made to the Holders of Subordinated Bonds shall be deemed to be a payment by the Issuer on account of the Subordinated Bonds, it being understood that the provisions of this Section are intended solely for the purpose of defining the relative rights of the Holders of the Senior Bonds on the one hand, and the Holders of any Subordinated Bonds on the other hand; and

(6) Any Series of Subordinated Bonds may have such rank or priority with respect to any other Series of Subordinated Bonds as may be provided in the *Series Supplement* or *Series Supplements* authorizing such Series of Subordinated Bonds and may contain such other provisions as are not in conflict with this Indenture.

(b) Each Series of Convertible Option Bonds or Short-Term Bonds shall be secured separately solely by the applicable Proceeds Fund.

Section 7.03 Offices for Payment and Registration of Bonds. The Issuer may designate an additional Paying Agent or Paying Agents located within or without the State where Bonds may be presented for payment.

Section 7.04 Further Assurances. At any and all times the Issuer shall, so far as it may be authorized or permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, confirming and effecting all and singular the proceeds, moneys, rights, interests and collections hereby pledged or assigned or intended so to be, or which the Issuer may hereafter become bound to pledge or assign.

Section 7.05 Power to Issue Bonds and Make Pledges. The Issuer is duly authorized pursuant to law to authorize and issue the Bonds and to enter into this Indenture and to pledge the Pledged Property in the manner and to the extent provided in this Indenture. The Pledged Property so pledged for the benefit of the Holders of the Senior Bonds is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Indenture, except as may be otherwise provided in a *Series Supplement* with respect to any Credit Facility. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable special limited obligations of the Issuer in accordance with their terms and the terms of this Indenture. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged

Property and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

Section 7.06 No Extension of Maturities. Except as otherwise provided in Section 10.02, the Issuer will not directly or indirectly extend or assent to the extension of the time for the payment of any principal of or claim for interest on any Bond and will not directly or indirectly be a party to any arrangement therefor.

Section 7.07 Covenant Against Encumbrances. The Trustee and the Issuer covenant that, except as expressly permitted herein, they will not sell, convey, mortgage, encumber or otherwise dispose of the money held for the credit of any Fund or Account created under this Indenture or take any other action which would adversely affect the rating on the Bonds.

Section 7.08 Cash Flow Statements. The Issuer shall cause a current Cash Flow Statement to be on file with the Trustee whenever required by this Indenture or a *Series Supplement*. Each Cash Flow Statement for a specific Series of Bonds shall employ the same assumptions as contained in the immediately preceding Cash Flow Statement for such Series, unless the applicable Rating Agency is otherwise notified by the Issuer and such Rating Agency permits or requires different assumptions in order to maintain the rating on the respective Series of Bonds.

A Cash Flow Statement shall consist of a certificate or agreed upon procedures report of a party acceptable to the Rating Agency demonstrating that in the current and each six-month period ending on an Interest Payment Date in which Bonds are scheduled to be Outstanding that amounts then scheduled to be on deposit in the Funds and Accounts maintained hereunder in each six-month period ending on an Interest Payment Date will be at least equal to all amounts required by this Indenture to pay the Aggregate Debt Service on the Bonds scheduled to be Outstanding and all Program Expenses in each such Bond Year.

Any Cash Flow Statement filed with respect to the issuance of a Series of Bonds may reflect all facts shown on the most recently filed general Cash Flow Statement, if any, modified to reflect the issuance of such Series and the receipt of any Pledged Receipts and the payment of any Bonds which are a reflection of events that have occurred which may, in the judgment of the Issuer, have a material adverse effect on the ability of the Issuer to timely pay Debt Service on the Bonds or Series of Bonds to which such Cash Flow Statement relates.

If the Issuer delivers a Cash Flow Statement as described in the first paragraph of this section that reflects an actual or projected deficiency in any six-month period ending on an Interest Payment Date in the amount of funds expected to be available for the purposes described in this Indenture during such six month period ending on an Interest Payment Date, the Issuer shall not be in default under this Indenture but shall take all reasonable actions or remedies permitted or available under this Indenture with respect to the assets constituting the applicable Pledged Property hereunder, to eliminate such deficiency and the Issuer shall thereupon file a current Cash Flow Statement reflecting the elimination of such deficiency. The

Issuer shall be precluded from taking the actions described or referenced above if the taking of such action shall cause a deficiency to occur or to occur sooner or shall increase any existing deficiency in any Series of Outstanding Bonds or Bonds proposed to be issued. Notwithstanding the foregoing, the Issuer has no moral or legal obligation or liability for any amount or assets other than in the Indenture.

In the event that the Issuer issues a Series of Bonds bearing interest at a variable rate the calculation of the Aggregate Debt Service with respect to such Series of Bonds will be based on the assumptions as set forth in the applicable *Series Supplement*.

Trustee shall be entitled to rely on the information contained in and any conclusions reached in each Cash Flow Statement without any duty of investigation and shall be entitled to seek clarification from the Issuer, on which the Trustee may conclusively rely.

Section 7.09 Tax Covenants. The provisions of this **Section 7.09** shall apply only to Series of Bonds (other than Taxable Bonds) as to which an opinion of Bond Counsel is at any time delivered which determined that the interest thereon shall be excludable from gross income for federal income tax purposes.

The Issuer shall at all times perform all acts and things permitted by law and necessary and desirable in order to assure that interest paid on the Bonds (other than Taxable Bonds) shall be excluded from gross income for federal income tax purposes under any valid provision of law.

The Issuer covenants and agrees that it will not make or permit any use of the proceeds of the Bonds which, if such use had been reasonably expected on the day of the issuance of the Bonds, would have caused the Bonds (other than Taxable Bonds) to be "arbitrage bonds" within the meaning of the Code and further covenants that it will observe and not violate the requirements of the Code.

The Issuer further covenants and agrees with regard to compliance with the Code, as follows:

(a) The Issuer will take all reasonable steps to see that all of the requirements of the Code are met, and, in the case of requirements which relate to the eligibility of the Mortgage Loans and Program Related Loans for tax-exempt financing specified in the Code, will take all reasonable steps to meet and require the Lenders to take all reasonable steps to meet such requirements before the Mortgage Loans and Program Related Loans are closed, and will establish reasonable procedures to ensure compliance with such requirements.

(b) The Issuer or its agent will conduct, or require the Lenders to conduct, a reasonable investigation to determine whether the requirements which relate to the eligibility of the Mortgage Loans and Program Related Loans for tax-exempt financing have been satisfied and will require the Lenders to correct any failure to meet such requirements within a reasonable time after the failure is discovered by the Issuer or its agent or the applicable Lender.

(c) The Issuer will assure that the Treasury of the United States is provided with the rebate to the extent required by the Code.

Section 7.10 Enforcement of Rights Under Mortgage Loans, Program Related Loans and Guaranteed Mortgage Securities. Except as otherwise expressly provided in this Indenture, the Trustee, in its name or in the name of the Issuer, shall, upon being reasonably indemnified to its satisfaction, enforce all rights of the Issuer under and pursuant to the Mortgage Loans, Program Related Loans and Guaranteed Mortgage Securities for and on behalf of the Bondholders, whether or not an Event of Default exists hereunder. Nothing set forth herein shall be construed as prohibiting the Issuer from granting temporary forbearance or making other modifications to a Mortgage Loan or Program Related Loan where, in its judgment, such forbearance or modification has no material detrimental effect on the interests of the Bondholders and is accomplished with the concurrence of any provider of Private Mortgage Insurance or Mortgage Pool Insurance to the extent such concurrence is required.

Section 7.11 Maintenance of Existence. The Issuer will at all times use its best efforts to maintain its existence and to maintain, preserve and renew all its rights, powers, privileges and franchises, and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, administrative or judicial body applicable to this Indenture.

Section 7.12 Provisions Relating to Remarketing. Unless otherwise provided in any applicable *Series Supplement*, the following provisions shall apply with respect to the remarketing of any Tender Bonds on any tender date:

(a) The purchase price of Tender Bonds subject to purchase on a tender date shall be 100% of the principal amount thereof. The Tender Bonds subject to mandatory tender on a tender date shall be paid from proceeds derived from the remarketing thereof (including proceeds constituting any premium of remarketed Tender Bonds) on deposit in the applicable Remarketing Account. Tender Bonds shall be sold to the person or persons designated by the Remarketing Agent if the purchase price in immediately available funds is delivered to the Trustee by the time provided in the applicable *Series Supplement* on the applicable tender date. If the Tender Bonds are not registered in the name of Cede & Co., as nominee for the Securities Depository, the Remarketing Agent, acting pursuant to the Remarketing Agreement, shall notify the Trustee in writing no later than the close of business on the fifth Business Day immediately preceding the tender date of the identity of the purchasers to whom the Tender Bonds shall be remarketed as of the tender date, the names in which such Tender Bonds are to be registered and addresses and tax identification numbers of such purchasers and the principal amount, denominations, maturity date or dates and interest rate or rates of the Tender Bonds which shall be so purchased.

(b) Any Tender Bond subject to purchase and not delivered to the designated corporate trust office of the Trustee (or to a Depository previously approved by the Trustee) by the time provided in the applicable *Series Supplement* on the applicable tender date will be deemed tendered, and a Tender Bond may be issued in place thereof and delivered to the

purchaser of the Tender Bonds. Any Tender Bond deemed tendered and purchased shall not bear interest from and after the applicable tender date and shall not be entitled to any rights under, or be secured by the pledge of, this Indenture, but shall have only the right to receive the purchase price thereof.

(c) If on any tender date proceeds on deposit in the applicable Remarketing Account shall be insufficient to pay in full the purchase price of Tender Bonds subject to purchase on such tender date as specified in (a) above, the Trustee shall apply to such purchase price moneys held in the applicable Convertible Option Bond or Short-Term Bond Account or as provided in a *Series Supplement* which at such time are invested in Permitted Investments and which were derived from the issuance of a Series of Bonds to which such Tender Bonds are a part.

Section 7.13 Annual Audit and Report; Special Report

(a) The Issuer shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all of its transactions relating to the Mortgage Loans, the Guaranteed Mortgage Securities and all Funds and Accounts established by this Indenture which shall at all reasonable times be subject to the inspection of the Trustee and the holders of an aggregate of not less than 10% in Principal Amount of Bonds then Outstanding or their representatives duly authorized in writing. The Issuer may authorize the Trustee or its duly authorized Agents to keep any of such books on behalf of the Issuer.

(b) The Issuer shall annually, within two hundred ten (210) days after the close of each Fiscal Year, file with the Trustee and the Rating Agency a copy of financial statements relating to obligations issued pursuant to this Indenture for such Fiscal Year, setting forth in reasonable detail:

(i) the balance sheet showing the assets and liabilities of the Program at the end of such Fiscal Year; and

(ii) a statement of the revenues and expenses of the Program during such Fiscal Year.

(c) The financial statements described in subsection (b) above shall be accompanied by the Certificate of an Accountant stating that the financial statements examined present fairly the financial position of the Program at the end of the Fiscal Year and the results of the operations and cash flows for the period examined, in conformity with generally accepted accounting principles.

(d) If at any time during any Fiscal Year there shall have occurred an Event of Default, then the Issuer shall file with the Trustee and the Rating Agency within forty-five (45) days after the close of such Fiscal Year, a special report accompanied by a Certificate of an Accountant as to the fair presentation of the financial statements contained therein, setting forth

in reasonable detail the individual balances and receipts and disbursements for each Fund hereunder.

(e) Any such financial statements of the Issuer may be presented on a consolidated or combined basis but only to the extent that such basis of reporting shall be consistent with that required under subsection (c) of this Section.

(f) The Trustee shall have no liability with respect to information included in the annual report, financial statements, or special report required to be filed under subparagraphs (b) and (d) of this Section.

Section 7.14 Recordation of the Indenture and Filing of Security Instruments if Required.

(a) The Issuer shall cause this Indenture and all supplements hereto and thereto, together with all other security instruments and financing statements, to be recorded and filed, as the case may be, if required by law for perfection of the security interests created therein, in such manner and in such places as may be required by law in order to perfect the lien of, and the security interests created by, this Indenture.

(b) The Trustee shall, at the Issuer's expense, cause to be filed from time to time all continuation statements under the Uniform Commercial Code of the State as are necessary to preserve the lien of, and the security interests created by this Indenture. The Issuer will cause to be filed and recorded, as the case may be, all other documents in such manner and in such places as the Trustee may deem necessary in order to protect and maintain in force the lien of, and the security interests created by, this Indenture.

(c) The Issuer shall promptly notify the Trustee in writing of any change in its name or in the address of its principal place of business.

Section 7.15 Program Covenants.

(a) The Issuer covenants that no Mortgage Loan and no Program Related Loan shall be financed by the Issuer under the Program unless the Mortgage Loan or the Program Related Loan complies in all respects with all rules and regulations of the Issuer applicable or in effect on the date of financing, and the Issuer shall have received all representations and warranties of the Lender which the Issuer and the Trustee may require.

(b) The Issuer covenants that each Mortgage Loan or Program Related Loan shall be a self-amortizing obligation which, to the extent set forth in the applicable *Series Supplement*, will bear interest at a fixed or variable rate of interest and have level or variable debt service over its life.

(c) The Issuer covenants that Mortgage Loans or Program Related Loans financed by a Series of Bonds shall be consistent with the requirements of the applicable *Series Supplement*.

(d) The Issuer may sell any or all of the Mortgage Loans, Program Related Loans or Guaranteed Mortgage Securities held under this Indenture to realize the benefits of mortgage insurance or guaranty or to replace or dispose of defective or defaulted Mortgage Loans or Program Related Loans.

(e) The Issuer shall do all such acts and things as shall be reasonably necessary to receive and collect Pledged Receipts (including diligent enforcement of the prompt collection of all arrearages on Mortgage Loans and Program Related Loans), sufficient to pay the principal of and interest on the Bonds and Program Expenses.

(f) The Issuer shall diligently enforce, and require the Servicer to take all steps, actions and proceedings reasonably necessary to protect its rights with respect to or to maintain any insurance on Mortgage Loans and Program Related Loans and to enforce all terms, covenants and conditions of Mortgage Loans and Program Related Loans including the collection, custody and prompt application of all escrow payments required by the terms of the Mortgage Loan and Program Related Loan for the purposes for which they were made.

(g) The Issuer shall not direct or permit the Servicer to unreasonably delay in the prosecution and collection of any claim for any insurance on Mortgage Loans or Program Related Loans to which it shall be entitled or permit any such unreasonable delay under its control nor fail to elect to sell or assign any Mortgage Loan or Program Related Loan whenever it shall be necessary to do so to obtain the benefits of such Mortgage Loan or Program Related Loan insurance.

(h) Whenever necessary in order to protect and enforce the interests and security of the Holders of the Bonds, the Issuer shall cause the Servicer to commence foreclosure or pursue other appropriate remedies with respect to any Mortgage Loan or Program Related Loans which is in default (in which event, the Servicer or the Trustee if there is no Servicer shall bid for and purchase the premises covered by any Mortgage Loan or Program Related Loan at any foreclosure sale thereof and otherwise take possession of or acquire such property unless the Issuer shall, in its discretion, determine such action not to be in the best interests of the Holders of the Bonds).

(i) The Issuer shall cause the Trustee to take all steps necessary to implement FDIC's most current regulations regarding deposit insurance on custodial servicing accounts maintained at FDIC-insured banks and thrifts, including, if necessary, directing the Servicer to immediately remit to the Trustee all collections on the Mortgage Loans and Program Related Loans (except Mortgage Loans and Program Related Loans backing Guaranteed Mortgage Securities).

(j) The Issuer shall enforce any provisions of the Mortgage Purchase Agreement which may have the effect of permitting the payment of Servicing Fees only with respect to Mortgage Loans and Program Related Loans which are current as to interest and/or escrow payments.

(k) Except for subsections (a), (c), (d), (e), (f) and (h), the foregoing provisions of this **Section 7.15** shall not be applicable to Mortgage Loans or Program Related Loans underlying Guaranteed Mortgage Securities.

Section 7.16 Issuance of Additional Obligations. The Issuer, so long as any Bonds shall be Outstanding hereunder, shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds, secured by any pledge of, or other lien or charge on, the Pledged Property, nor shall the Issuer create or cause to be created any lien or charge on the Pledged Property, other than the lien and pledge created hereunder.

Section 7.17 Personnel and Servicing of Program.

(a) The Issuer shall at all times appoint, retain and employ personnel for the purpose of carrying out its Programs under the Act.

(b) The Issuer may pay to any State agency, municipality, political subdivision, governmental instrumentality of the State, individual or private business entity such amounts as are necessary to reimburse such State agency, municipality, political subdivision, governmental instrumentality of the State, individual or private business entity for the reasonable costs of any services performed for the Issuer with respect to the Issuer's Programs.

(c) Each Depository which has entered into a Mortgage Purchase Agreement (or has entered into a written Depository agreement with a Servicer or the Trustee), may, from time to time, hold amounts which are not fully insured by the FDIC, or its successors provided that:

(i) any Pledged Receipts held by such Depository shall be set aside and held in trust for the Trustee on behalf of the Holders of the Bonds;

(ii) all such amounts shall be invested or deposited in accordance with **Article VI** and as may be directed in writing by the Issuer or, failing such direction, as such Depository may determine;

(iii) any amounts held by such Depository shall be transmitted to the Trustee upon receipt or as soon as practicable thereafter; and

(iv) such Depository shall regularly deliver an accounting to the Issuer and the Trustee of the amount held by it hereunder and the deposits and investments thereof.

(d) The Issuer shall use reasonable efforts to cause the Servicers and Lenders to duly and properly originate and/or service all Mortgage Loans and Program Related Loans and enforce the payment and collection of all payments of principal and interest and all escrow payments or to cause such servicing and enforcement to be done by a Servicer evidencing, in the judgment of the Issuer, the capability and experience necessary to adequately service the Mortgage Loans and Program Related Loans. Any Mortgage Purchase Agreement entered into after the date of this Indenture shall provide that:

(i) all amounts received by such Servicer, except as compensation for its services shall be deposited promptly with a Depository (which may be such Servicer) subject to and in accordance with the provisions of this Indenture;

(ii) such Servicer shall at all times remain qualified to act as such pursuant to such standards as the Issuer shall prescribe from time to time and shall determine to be reasonable to maintain the security for the Bonds;

(iii) such Servicer shall agree to maintain servicing facilities that are staffed with trained personnel to adequately service Mortgage Loans and Program Related Loans in accordance with standards normally employed by private institutional mortgage investors, as determined in the Issuer's sole discretion, and shall maintain individual files for each Mortgage Loan and Program Related Loan serviced pursuant to the Mortgage Purchase Agreement and provide regular reports to the Issuer and the Trustee as to collections and delinquencies with respect to all Mortgage Loans and Program Related Loans serviced by such Servicer.

Section 7.18 Providing Information to Rating Agency. The Issuer and the Trustee covenant that each of them will provide to the applicable Rating Agency notification of any applicable supplemental indentures to be entered into pursuant to the provisions hereof, of the appointment of any successor Trustee or Co-Trustee pursuant to the provisions hereof, any material (as determined by the Issuer) amendments to the applicable Mortgage Purchase Agreement, redemption or defeasance of all Outstanding Bonds of the relevant Series, any termination of an Investment Agreement or any change in the provider of an Investment Agreement and such other information as may reasonably be requested in order to maintain the required rating on the applicable Series of Bonds.

ARTICLE VIII FIDUCIARIES

Section 8.01 Trustee and Depositories; Appointment and Acceptance of Duties.

(a) The Bank of New York Mellon Trust Company, N.A., having a designated corporate trust office in Jacksonville, Florida, is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing this Indenture.

(b) The Issuer may appoint one or more Depositories by any *Series Supplement*. Each Depository shall be a bank or trust company organized under the laws of a state of the United States or a national banking association conducting or authorized to conduct business in the State and having capital and surplus aggregating at least Fifty Million Dollars (\$50,000,000) or having \$500,000,000 in trust assets under management. A Depository, immediately upon such appointment, shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by written instrument of acceptance deposited with the Issuer and the Trustee. The Trustee may be a Depository of any Fund or Account.

Section 8.02 Registrar and Paying Agents; Appointment and Acceptance of Duties.

(a) The Registrar shall be appointed by any *Series Supplement*. The Registrar shall be a bank or trust company organized under the laws a state of the United States or a national banking association conducting or authorized to conduct business in the State and having capital and surplus aggregating at least Fifty Million Dollars (\$50,000,000) or having \$500,000,000 in trust assets under management. Either the Trustee or a Depository, or any of them, may be appointed to act as Registrar notwithstanding that they may then be acting in the capacity of the Trustee or as a Depository.

The Registrar, immediately upon such appointment, shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by a written instrument of acceptance deposited with the Issuer and each Depository and each Paying Agent, if any, which has then been designated by the Issuer.

(b) The Issuer shall, subject to the requirements of **Section 7.03**, appoint one or more Paying Agents for the Bonds of any Series by any *Series Supplement*. Either the Trustee or a Depository, or any of them, may be appointed to act as Paying Agents notwithstanding that they may then be acting in the capacity of the Trustee, Registrar or as a Depository.

Each Paying Agent, immediately upon such appointment, shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by written instrument of acceptance deposited with the Issuer and the Trustee.

The Issuer will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(i) hold all sums held by it for the payment of principal of (and premium, if any) or interest on the Bonds in trust for the benefit of the persons entitled thereto until such sums shall be paid to such persons or otherwise disposed of as herein provided; and

(ii) at any time during the continuance of any default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The principal or designated corporate trust offices of the Paying Agents are hereby designated as the respective agencies of the Issuer for the payment of the interest on and Principal Amount or Redemption Price of the Bonds.

Section 8.03 Responsibilities of Fiduciaries. Except with respect to actions required to be taken by the Trustee pursuant to Section 11.10 upon the occurrence of an Event of Default (as defined in **Section 11.01**), no Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any one of the others.

Section 8.04 Evidence on Which Fiduciaries May Act. The Trustee, any Depository, the Registrar and any Paying Agent shall be protected in acting upon any Officer's Certificate, notice, resolution, request, direction, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the purported proper party or parties. Any Fiduciary may consult with counsel, who may or may not be counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it under this Indenture in good faith and in accordance herewith.

Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Indenture, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken, suffered or omitted in good faith under the provisions of this Indenture upon the faith thereof, but in its discretion such Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Issuer to any Fiduciary shall be sufficiently executed if executed in the name of the Issuer by an Authorized Officer.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders pursuant to this Indenture, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, losses, damages, fines, penalties, claims and liabilities which might be incurred by it in compliance with such request or direction (including reasonable fees and actual reasonable expenses of its Counsel).

The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 8.05 Compensation of Fiduciaries.

(a) The Trustee shall be entitled to receive from Pledged Property (but not in excess of the amounts shown on the most recent Cash Flow Statement) from time to time:

(i) the Trustee Fee (which Fee includes reimbursement for Ordinary Expenses) as reasonable compensation for all services rendered under this Indenture in the amounts and subject to the limitations specified in the *Series Supplements*;

(ii) reimbursement for Extraordinary Expenses in the amounts and subject to the limitations specified in the *Series Supplements*; and

(iii) reimbursement for the costs of transferring Mortgage Loans or Program Related Loans, but only to the extent such costs are not paid by the Issuer from moneys other than Pledged Receipts.

(b) Each Fiduciary other than the Trustee shall be entitled to receive such reasonable compensation, in the amounts and subject to the limitations specified in the *Series Supplements*, for its services rendered under this Indenture. Each Fiduciary shall have a right to payment of such fees and expenses from the Revenue Fund as set forth in **Section 5.10(d)** hereof, but only to the extent that such fees and expenses have not been paid by the Trustee from its Trustee Fee.

(c) Except for the engagement of counsel to assist in normal and routine foreclosure proceedings with respect to a Mortgage for a fixed fee, which may be specified in the *Series Supplements* or other Program Documents, the Trustee shall not engage the services of counsel or agents to assist it in exercising its powers or performing its duties under this Indenture if, at the time of such engagement, the Extraordinary Expenses relating to such engagement are reasonably expected to exceed the amount set forth in the applicable *Series Supplement*. Any such fees and expenses in excess of such amount are required to be approved in writing by an Authorized Officer prior to payment of any such excess amount; provided, that if an Event of Default specified in **Section 11.01(a), (b) or (c)** hereof shall have occurred and be continuing, the approval by an Authorized Officer shall not be required.

(d) In reference to the limits of reimbursable Extraordinary Expenses of the Trustee established in this Section, the Trustee shall notify the Issuer of each claim or event which would require an expenditure of an amount in excess of the amount set forth in the applicable *Series Supplement*, and in the event that the Issuer does not agree with any recommendations of the Trustee for reimbursement of Extraordinary Expenses in excess of such amount to be incurred for the enforcement of any claim or the performance of any of the Trustee's duties or responsibilities under this Indenture in pursuit of any claim or enforcement of any remedy, then the Trustee shall not be responsible for payment of the cost and expense to pursue such claim or remedy from any source including a lien against the Pledged Property and shall not be liable to pursue any such claims or enforce any such remedy and shall have no liability to any holder of a Bond or the Issuer under this Indenture for failure to pursue such claim or remedy.

Section 8.06 Permitted Acts and Functions. The Trustee, any Depository, the Registrar and any Paying Agent may buy, own, hold and sell (including acting as an underwriter in respect of) any bonds, coupons or notes of the Issuer, whether heretofore or hereafter issued or created and may engage or be interested in any financial or other transaction with the Issuer, with like effect and with the same rights it would have if it were not such Fiduciary. Any Fiduciary may act as Depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Holders of a majority in Principal Amount of the Bonds then Outstanding.

Section 8.07 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than one hundred twenty (120) days' written notice to the Issuer and mailing notice thereof by first-class mail, postage prepaid, at the Trustee's expense to the Holders of all Outstanding Bonds, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in Section 8.09, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor Trustee has been appointed pursuant to Section 8.09 hereof.

Section 8.08 Removal of Trustee. The Trustee shall be removed and replaced by the Issuer if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Issuer and signed by the holders of a majority in Principal Amount of the Senior Bonds or their attorney-in-fact authorized, excluding any Senior Bonds held by or for the account of the Issuer. The Issuer may remove and replace the Trustee at any time with cause and, except during the existence of an Event of Default, without cause, subject to the provisions of Section 8.08 hereof and the opinion of the Issuer that such removal and replacement of the Trustee is not detrimental to the Bondholders, by filing with the Trustee an instrument signed by an Authorized Officer. Such instrument shall provide for an effective date not less than thirty (30) days after the date of delivery to the Trustee, and shall make such other provisions for transfer of duties to the successor trustee as shall be deemed reasonably

necessary in the sole discretion of the Issuer. The Trustee shall not be relieved of its duties hereunder until a successor has accepted such duties. Notwithstanding the foregoing, if there is no dispute as to the amount thereof, no such removal shall become effective until such time as the Trustee has been paid all reasonable fees, charges, advances and expenses (including reasonable attorneys' fees and costs) incurred by the Trustee in connection with the duties established under this Indenture and in connection with such removal.

Section 8.09 Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Issuer covenants and agrees that it will thereupon appoint a successor Trustee. The Issuer shall mail notice of any such appointment made by it to all Bondholders within 20 days after such appointment.

(b) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 8.09 within 45 days after the Trustee shall have given to the Issuer written notice, as provided in Section 8.07 hereof, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the holder of any Senior Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe and appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section 8.09 in succession to the Trustee shall be a trust company, bank or national banking association having the powers of a trust company within or outside the State, having a capital, surplus and undivided profits aggregating at least \$50,000,000 or having at least \$500,000,000 in trust assets under management if there be such a trust company, bank or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all of the duties imposed upon it by this Indenture.

Section 8.10 Transfer of Rights and Property to Successor. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth,

subject nevertheless to its lien, if any, provided for in **Section 8.05**. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer. Any such successor Trustee shall promptly notify the Registrar, each Depository and each Paying Agent of its appointment as Trustee.

Section 8.11 Merger, Conversion or Consolidation. At the sole discretion of the Issuer, any entity into which any Fiduciary may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion or consolidation to which it shall be a party or any entity to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act, provided that any such successor shall be a bank or trust company or a national banking association and shall be qualified to be a successor to such Fiduciary under Section 8.09 or Section 8.12 and authorized by law to perform all the duties imposed upon it by this Indenture, as shall be evidenced in writing to the Trustee and all Rating Agency.

Section 8.12 Resignation or Removal of Registrar, Depositories and Paying Agents and Appointment of Successors. Any Registrar, Depository or Paying Agent may at any time resign and be discharged from the duties and obligations created by this Indenture by giving at least sixty (60) days' written notice to the Issuer and the Trustee. Any Registrar, Depository or Paying Agent may be removed at any time by an Officer's Certificate filed with such Fiduciary and the Trustee. Any initial or successor Registrar, Depository or Paying Agent shall be appointed by resolution of the Issuer and (subject to the requirements of Section 8.02) shall be a bank, trust company or national banking association organized under the laws of any state of the United States or a national banking association, having capital and surplus aggregating at least Fifty Million Dollars (\$50,000,000) or having at least \$500,000,000 in trust assets under management, and willing and able to accept the applicable office of Registrar, Depository or Paying Agent, as the case may be, on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

In the event of the resignation or removal of any Depository or Paying Agent, such Depository or Paying Agent shall pay over, assign and deliver any moneys held by it to its successor, or if there be no successor then appointed, to the Trustee until such successor be appointed.

Section 8.13 Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as the Trustee in such jurisdiction. It is recognized that, in case of litigation under this Indenture, the Mortgage Purchase Agreement, the Guaranteed Mortgage Securities and, in particular, in case of the enforcement thereof on default, or in case the Trustee deems that by reason of any

present or future law of any jurisdiction, it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution as a separate or Co-Trustee; provided that any Co-Trustee must have capital, surplus and undivided profits of at least \$50,000,000. The following provisions of this Section are adapted to these ends.

In the event that the Trustee appoints an additional institution as a separate or Co-Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them. The responsibilities of the Co-Trustee under this Indenture shall be limited to exercising remedies as provided herein, and providing such assistance to the Trustee as may be necessary to carry out the duties of the Trustee and Co-Trustee hereunder.

Should any instrument in writing from the Issuer be required by a separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate or Co-Trustee, or a successor to either, shall cease to exist, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate or Co-Trustee.

Notwithstanding the foregoing provisions of this Section 8.13, the Issuer hereby reserves unto itself, subject to the approval of each Rating Agency, each issuer of a Credit Facility and all Bondholders of any Series of Convertible Option Bonds or Short-Term Bonds not having a rating, the absolute right to appoint a Co-Trustee for any reason. Such appointment shall be made by and in accordance with the provisions of a Supplemental Indenture.

Section 8.14 Monthly Statements from Fiduciaries. It shall be the duty of each Fiduciary, on or before the fifteenth (15th) day of each month of the respective Bond Year, to file with the Issuer a statement setting forth in respect of the preceding quarter:

- (a) the amount withdrawn or transferred by it and the amount deposited within or on account of each Account held by it under the provisions of this Indenture;
- (b) the amount on deposit with it at the end of such month to the credit of each such Account;
- (c) a brief description of all obligations held by it as an investment of moneys in each such Account;

- (d) the amount applied to the purchase or redemption of Bonds and a description of the Bonds or portions of Bonds so purchased or redeemed during the preceding month; and
- (e) any further information which the Issuer may reasonably request.

All records and files pertaining to the trusts hereunder in the custody of each Fiduciary shall be open at all reasonable times to the inspection of the Issuer and its agents and representatives.

Section 8.15 Recordkeeping. The Trustee shall keep proper books, records and accounts in which complete and correct copies of all certificates and documents required to be filed with it hereunder shall be maintained and preserved for a reasonable period of time. The Trustee shall make such books and records available for inspection by the Issuer during reasonable hours and under reasonable conditions. The Issuer shall have the right to require the Trustee to furnish such documents as the Issuer, in its sole discretion and from time to time, deems necessary to determine that the provisions of this Indenture have been complied with and to satisfy the Issuer's statutory recordkeeping requirements.

Section 8.16 Rights of Holders of Subordinated Bonds. The foregoing provisions of this **Article VIII** relating to the rights of the Holders of the Senior Bonds with respect to selection of Fiduciaries shall apply to the Holders of Subordinated Bonds if there are no Senior Bonds Outstanding.

Section 8.17 Liability of Trustee. The recitals of fact herein and in the Bonds (other than the certificate or registration and authentication contained thereon) are statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same and makes not representations as to the validity or sufficiency of this Indenture, any other agreement relating hereto or the Bonds or in respect of the security afforded by this Indenture, and shall incur no responsibility in respect thereof or with respect to the issuance of Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Issuer, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. Neither the Trustee, nor its officers, directors, employers or agents, shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

ARTICLE IX SERIES SUPPLEMENTS

Section 9.01 Series Supplements and Related Instruments Without Consent of Bondholders. The Issuer may execute and deliver, without the consent of or notice to Bondholders, at any time or from time to time one or more *Series Supplements* or instruments supplemental thereto for any one or more of the following purposes, and any such *Series*

Supplement or instruments supplemental thereto shall become effective in accordance with its terms upon the execution and delivery of such document by the Issuer and the Trustee:

(a) To provide for the issuance of a Series of Bonds or Refunding Bonds or to provide for the remarketing of a Series of Bonds if the applicable *Series Supplement* so permits and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(b) To add additional covenants and agreements of the Issuer for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Issuer contained in this Indenture;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Issuer;

(d) To surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Indenture, provided that no such surrender is contrary to or inconsistent with the covenants and agreements of the Issuer contained in this Indenture;

(e) To confirm as further assurance any pledge under, and the subjection to any lien, claim or pledge created or to be created by the provisions of this Indenture;

(f) To modify any of the provisions of this Indenture or any previously executed and delivered *Series Supplement* in any other respect, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of execution and delivery of such *Series Supplement* or instrument supplemental thereto shall cease to be Outstanding, and all Bonds issued after the date of execution and delivery of such *Series Supplement* shall contain a specific reference to the modifications contained in such *Series Supplement*;

(g) To authorize the issuance of Bonds of any Series in book-entry form, to prescribe the forms of such Bonds and to amend this Indenture or any *Series Supplement* in any and all respects as may be necessary or advisable to implement the issuance, transfer or exchange of Bonds in book-entry; provided, however, that no such authorization or amendment shall be made if it would adversely affect the exclusion from federal gross income of interest on any Bonds (other than Taxable Bonds);

(h) To appoint a Successor Trustee or Co-Trustee;

(i) To amend this Indenture or any *Series Supplement* in any and all respects as may be necessary or advisable to implement any amendment of the Code or the provisions of any tax legislation enacted in place thereof;

(j) To cure any ambiguity or defect or inconsistent provision in this Indenture or to insert any provisions as are necessary or desirable so long as such modifications are not contrary to or inconsistent with this Indenture as theretofore in effect and so long as such modification does not have an adverse impact on the current rating of any Series of Bonds and does not adversely affect the exclusion of interest on any Bonds (other than Taxable Bonds) from gross income for purposes of the Federal income tax; or

(k) for secondary market disclosure purposes.

Section 9.02 Supplemental Indentures Effective with Consent of Bondholders. The provisions of this Indenture may be modified at any time or from time to time by a Supplemental Indenture, for any of the purposes described in clauses (b) through (k) of Section 9.01 without consent of the Bondholders, or subject to the consent of Bondholders in accordance with and subject to the provisions of **Article X**.

Section 9.03 General Provisions Relating to Series Supplements, Supplemental Indenture and Related Instruments. This Indenture shall not be modified or amended in any respect except in accordance with and subject to the provisions of this **Article IX** and **Article X**. Nothing contained in this **Article IX** and **Article X** shall affect or limit the right or obligations of the Issuer to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.04 or the right or obligation of the Issuer to execute and deliver to the Trustee, the Registrar, any Depository or any Paying Agent any instrument elsewhere in this Indenture provided or permitted to be delivered to the Trustee, any Depository or any Paying Agent.

A copy of every *Series Supplement*, Supplemental Indenture and instrument supplemental thereto executed and delivered by the Issuer when filed with the Trustee shall be accompanied by (i) a Counsel's Opinion stating that such *Series Supplement*, Supplemental Indenture or related instrument has been duly and lawfully adopted in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and is valid and binding upon the Issuer and enforceable in accordance with its terms, except as to enforcement of remedies which may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally, and (ii) an opinion of Bond Counsel to the effect that such *Series Supplement*, Supplemental Indenture or related instrument will not adversely affect the exclusion of interest on the Bonds (except Taxable Bonds) from gross income for federal income tax purposes.

The Trustee is hereby authorized to accept delivery of a certified copy of any *Series Supplement*, Supplemental Indenture or related instrument permitted or authorized pursuant to the provisions of this Indenture and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on Counsel's Opinion that such *Series Supplement* or related instrument is authorized or permitted by the provisions of this Indenture.

No *Series Supplement*, Supplemental Indenture or related instrument changing, amending or modifying any of the rights or obligations of the Trustee, the Registrar, any Depository or any Paying Agent may be adopted by the Issuer without the written consent of such Fiduciary affected thereby.

A copy of each *Series Supplement*, Supplemental Indenture or related instrument shall be submitted to the Rating Agency by the Issuer.

ARTICLE X AMENDMENTS OF INDENTURE

Section 10.01 Powers of Amendment. Any modification or amendment of this Indenture and of the rights and obligations of the Issuer and of the Holders of the Bonds in any particular manner may be made by a Supplemental Indenture with, except as provided in Section 9.01, the written consent given as hereinafter provided in Section 10.02 of the Holders of (a) at least a majority in Principal Amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, the Holders of at least a majority in Principal Amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if any such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of the Bonds of such Series and maturity shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of the Principal Amount of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the Principal Amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or adversely affect the tender rights of the Holders of Tender Bonds, or shall reduce the percentages of Bonds the consent of the Holders of which is required to effect any such modification or amendment without the consent of all Bondholders so affected. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion, and after being indemnified to its reasonable satisfaction, determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series or maturity would be affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on the Issuer and all Holders of Bonds. The Trustee may receive and may conclusively rely upon (i) a Counsel's Opinion as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of this Indenture, and (ii) an opinion of Bond Counsel to the effect that such modification or amendment will not adversely affect the exclusion of interest on the Bonds (other than Taxable Bonds) from gross income for federal income tax purposes.

Section 10.02 Consent of Bondholders. The Issuer may at any time execute a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 10.01 to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee by the Issuer to Bondholders, shall be mailed by the Trustee by first class mail, postage prepaid, to the Holders of all Outstanding Bonds. Such Supplemental Indenture shall not be effective unless and until (a) there shall have been filed with the Trustee (i) the written consents of Holders of the percentages of the Principal Amount of Outstanding Bonds specified in Section 10.01 and (ii) a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully executed by the Issuer in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the Issuer and enforceable in accordance with its terms, and (b) a notice shall have been given as hereinafter in this Section 10.02 provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.01. A certificate or certificates by the Trustee that it has examined such proof and reasonably believes that such proof is sufficient in accordance with Section 12.01 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in **Section 12.01** to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee prior to the time when the written statement of the Trustee hereinafter in this Section 10.02 provided for is filed, such revocation. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the Holders of such required percentages of Bonds shall have filed their consents to the Supplemental Indenture. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture executed by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 10.02, may be given to Bondholders by the Trustee by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 10.02 provided) not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Trustee hereinabove provided for is filed. A transcript, consisting of the documents required or permitted by this Section 10.02 to be filed with the Trustee, shall be proof of the matters therein stated.

Section 10.03 Modifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the Issuer and of the Holders of the Bonds

thereunder may be modified or amended in any respect upon the execution by the Issuer of a Supplemental Indenture and the consent of the Holders of all of the Bonds then Outstanding and affected thereby, such consent to be given as provided in Section 10.02.

Section 10.04 Mailing. Any provision in this Article for the mailing of a notice or other document to Bondholders shall be fully complied with if such notice or document is mailed postage prepaid only to each registered owner of Bonds then Outstanding at his or her address, appearing upon the registration books of the Issuer.

Section 10.05 Exclusion of Bonds. Bonds owned or held by or for the account of the Issuer shall not be deemed Outstanding for the purpose of consent or other action nor any calculation of the Principal Amount of Outstanding Bonds provided for in this Article, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided for taken under this Article. The Issuer shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 10.06 Notation on Bonds. Bonds delivered after the effective date of any action taken as in **Article IX** or this **Article X** provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and upon presentation of his Bond for the purpose at the principal office of the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Issuer or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Issuer to conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, upon surrender of such Bonds.

ARTICLE XI DEFAULTS AND REMEDIES

Section 11.01 Events of Default. Each of the following events is hereby declared an "Event of Default" hereunder:

(a) the Issuer shall fail to make payment of the principal or Redemption Price of, or Sinking Fund Installment on, any Senior Bond after the same shall become due, whether at maturity or upon call for redemption, or otherwise; or

(b) the Issuer shall fail to make payment of interest on any Senior Bond when and as the same shall become due; or

(c) the Issuer shall fail to make payment of the purchase price of any Senior Tender Bond as and when the same shall become due; or

(d) the Issuer shall fail or refuse to comply with the provisions of the Act or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture, any *Series Supplement*, or in the Bonds contained, and such default shall continue for a period of ninety (90) days after written notice thereof by the Trustee or the Holders of not less than twenty percent (20%) in Principal Amount of the Outstanding Bonds; provided, that failure to make payment of the principal of or interest on any Subordinated Bond when due if the amount then available for such purpose in the Subordinated Debt Service Fund is not sufficient shall not constitute an Event of Default. Additional provisions regarding Events of Default relating to a Series of Subordinated Bonds, Convertible Option Bonds or Short-Term Bonds shall be set forth in the applicable *Series Supplement*.

Section 11.02 Remedies.

(a) Upon the happening and continuance of any Event of Default specified in **Section 11.01**, then, and in each such case, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five percent (25%) in Principal Amount of the Outstanding Senior Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholder by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights:

(i) by suit, action or proceeding, enforce all rights of the Bondholders, including the right to require the Issuer to receive and collect Pledged Receipts and Prepayments adequate to carry out the covenants and agreements as to, and pledge of, such Pledged Receipts and Prepayments, and to require the Issuer to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(ii) by bringing suit upon the Senior Bonds;

(iii) by action or suit, require the Issuer to account as if the Issuer were the trustee of an express trust for the Holders of the Senior Bonds;

(iv) by action or suit, require the Issuer to account as if the Issuer were the trustee of an express trust for the Holders of the Subordinated Bonds;

(v) declare all Senior Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Holders of not less than twenty-five percent (25%) in Principal Amount of the Outstanding Senior Bonds, to annul such declaration and its consequences; provided, however, that the Senior Bonds may not be accelerated as a result of an Event of Default specified in **Section 11.01(d)** hereof without the approval of sixty-six and two-thirds percent (66 2/3%) of the holders of the Senior Bonds affected thereby if there are sufficient moneys on deposit to pay all amounts due on all Senior Bonds and hereunder with respect to such Senior Bonds on the date set for payment; and, provided, further, that if there are not sufficient moneys as aforesaid, then the Senior Bonds may not be accelerated as a result of an Event described in

Section 11.01(d) hereof without the approval of one hundred percent (100%) of the holders of the Senior Bonds.

(b) In the enforcement of any remedy under this Indenture, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and any time remaining, due from the Issuer for principal, Redemption Price, interest or otherwise, under any provision of this Indenture or of the Senior Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Issuer for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

(c) The Trustee shall be entitled to enforce, by action or suit or otherwise, any and all covenants and provisions herein for the benefit of the Senior Bonds and the Subordinated Bonds. Additional provisions regarding remedies upon the occurrence of an Event of Default relating to Subordinated Bonds, Convertible Option Bonds or Short-Term Bonds shall be set forth in the applicable *Series Supplement*.

Section 11.03 Priority of Payments after Default. In the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and principal or Redemption Price then due on the Senior Bonds, such funds (other than funds held for the payment or redemption of particular Senior Bonds which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to the Act and this **Article XI**, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Senior Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under this Indenture, shall be applied as follows:

(a) Unless the principal of all the Senior Bonds shall have become or have been declared due and payable,

First, to the payment to the persons entitled thereto of all installments of interest then due on the Senior Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

Second, to the payment to the persons entitled thereto of the unpaid Principal Amounts or Redemption Price of any Senior Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be

sufficient to pay in full all the Senior Bonds due on any date, then to the payment thereof ratably, according to the amounts of Principal Amounts or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

Third, to the payment to the persons entitled thereto of all installments of interest then due on the Subordinated Bonds in the order of maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment to the persons entitled thereto, without any discrimination or preference; and

Fourth, to the payment to the persons entitled thereto of the unpaid Principal Amounts or Redemption Price of any Subordinated Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Subordinated Bonds due on any date, then to the payment thereof ratably, according to the amounts of Principal Amounts or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Senior Bonds shall have become or have been declared due and payable, first, to the payment of the principal and interest then due and unpaid upon the Senior Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Bond over any other Senior Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Bonds and, second, to the payment of the Subordinated Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Subordinated Bond over any other Subordinated Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination nor preference except as to any difference in the respective rates of interest specified in the Subordinated Bonds.

(c) If the amounts described in (a) and (b) above and the amounts due to be paid from the Administration Fund, except for amounts described in **Section 5.10(d)(D)**, have been paid or provision made therefor, then to the principal and interest due and unpaid upon any Convertible Option Bonds or Short-Term Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Convertible Option Bond or Short-Term Bond over any other Convertible Option Bond or Short-Term Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Convertible Option Bonds or Short-Term Bonds.

The provisions of this **Section 11.03** are in all respects subject to the provisions of **Section 7.02**.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Issuer, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amount of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any unpaid Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 11.04 Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 11.05 Bondholders' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding but subject to the provisions of **Section 8.04** hereof, the Holders of a majority in Principal Amount of the Senior Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings of any kind whatsoever, whether at law or in equity, to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture and that the Trustee shall have the right to decline to follow any direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 11.06 Limitations on Rights of Bondholders. No holder of any Bond shall have any right to institute any suit, action or other proceeding hereunder, or for the protection or enforcement of any right under this Indenture or any right under law, unless such Holder shall have given to the Trustee written notice addressed to its designated corporate trust office of the Event of Default or breach of duty on account of which suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five percent (25%) in Principal Amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein

granted or granted under law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, losses, damages, fines, penalties, claims and liabilities to be incurred therein or thereby (including fees and expenses of its Counsel), and the Trustee shall have refused or neglected to comply with such request within a reasonable time which shall not be less than thirty (30) days; and such notification, request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers under this Indenture or for any other remedy hereunder or under law. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under law with respect to the Bonds of this Indenture, except in the manner herein provided, and that all proceedings shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Bonds. Notwithstanding the foregoing provisions of this Section or any other provisions of this **Article XI**, the obligation of the Issuer shall be absolute and unconditional to pay the principal and Redemption Price of and interest on the Senior Bonds, but solely from Pledged Property and Pledged Receipts, to the respective Holders thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Holders to enforce such payment.

Anything to the contrary contained in this **Section 11.06** or any other provision of this Indenture notwithstanding, each Holder of any Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Indenture or any *Series Supplement* or any related instrument, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing of any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholders, or group of Bondholders, holding at least twenty-five percent (25%) in Principal Amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective date thereof expressed in such Bond.

Section 11.07 Possession of Bonds by Trustee Not Required. All rights of action under this Indenture or under any of the Bonds, enforceable by the Trustee, may be enforced by it without possession of any of the Bonds or the production thereof in the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Bonds, subject to the provisions of this Indenture.

Section 11.08 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or

remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 11.09 No Waiver of Default. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.10 Notice of Event of Default.

The Trustee shall give to the Bondholders and the Issuer notice of each Event of Default hereunder known to the Trustee within thirty (30) days after knowledge to the Trustee of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided that, in the case of an Event of Default as described in **Section 11.01(d)**, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondholders. Each such notice of Event of Default shall be given by mailing written notice thereof to all registered Holders of Bonds, as the names and addresses of such Holders appear upon the books of registration as kept by the Registrar.

Section 11.11 Rights of Holders of Subordinated Bonds. The foregoing provisions of this **Article XI** relating to the rights of the Holders of the Senior Bonds with respect to Events of Default and remedies therefor shall apply to the Holders of Subordinated Bonds if there are no Senior Bonds Outstanding.

**ARTICLE XII
EXECUTION OF INSTRUMENTS BY BONDHOLDERS
AND PROOF OF OWNERSHIP OF BONDS**

Section 12.01 Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Bondholders in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein provided), if made in the following manner: the fact and date of the execution by any Bondholder or his attorney or agent of any such instrument appointing any such attorney or agent may be proved by delivery of a certificate, which need not be acknowledged or verified, of an officer of any bank, trust company or investment banking firm or of any notary public, or other officer authorized to take

acknowledgments. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, limited liability company, association or partnership, such certificate shall also constitute sufficient proof of his authority.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done or suffered to be done by the Issuer, the Trustee, the Registrar, any Depository or any Paying Agent pursuant to such request or consent.

ARTICLE XIII DEFEASANCE

Section 13.01 Defeasance.

(a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all of the Bonds then Outstanding, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then and in that event the covenants, agreements and other obligations of the Issuer to the Bondholders shall be discharged and satisfied. In such event the Trustee shall, upon written request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such release and discharge and the Trustee and the Paying Agents shall pay over or deliver to the Issuer all moneys or securities held by them pursuant to this Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption and not required pursuant to **Section 8.05** hereof.

(b) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of Bonds then Outstanding of a particular Series, the principal and interest and Redemption Price, if any, to become due thereupon, at the times and in the manner stipulated therein and in this Indenture, then and in that event such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture and the applicable *Series Supplement* and the covenants, agreements and other obligations of the Issuer to the Holders of such Bonds shall be discharged and satisfied.

(c) Bonds or interest installments for the payment or redemption of which moneys shall then be held by the Trustee or the Paying Agents (through deposit by the Issuer of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in this **Section 13.01**. Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in this **Section 13.01** if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee, in form

satisfactory to it, irrevocable instructions to give notice of redemption as provided in **Article IV** of this Indenture on said date of such Bonds, (ii) there shall be sufficient moneys, or noncallable Government Obligations the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, of such Bonds and interest due and to become due on such Bonds on and prior to the Principal Payment Date or Dates or redemption date or dates thereof, as the case may be (as demonstrated in a verification report of a firm of certified public accountants), (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable instructions to give notice by mail, as soon as practicable, to the Holders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this **Section 13.01** and stating such Principal Payment Date or Dates or redemption date or dates upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds, and (iv) the Issuer shall have delivered to the Trustee an opinion of Bond Counsel to the effect that the defeasance provisions hereof have been satisfied and that, in the case of Bonds other than Taxable Bonds, such defeasance does not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. Neither Government Obligations nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in principal amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such Principal Payment Date or Dates or redemption date or dates thereof, as the case may be. The Rating Agency shall be notified of any defeasance within the meaning of this subsection (c).

(d) Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six (6) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when all of the Bonds became due and payable, shall, at the written request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged.

ARTICLE XIV
MISCELLANEOUS

Section 14.01 Successorship of Issuer; Effect of Covenants; Construction of Indenture. All covenants, stipulations, obligations and agreements of the Issuer contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, body, Issuer, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future Issuer, trustee, officer, agent or employee of the Issuer in his or her individual capacity, and neither the Issuer nor any trustee, Issuer or officer thereof, present or future, executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or responsibility by reason of the issuance thereof.

The laws of the State shall govern the construction of this Indenture.

Section 14.02 Manner of Giving Notice. All notices, demands, directions, requests, certificates or other communications hereunder (except as to Bondholders) shall be sufficiently given and shall be deemed given when electronically transmitted or mailed by certified or registered mail, postage prepaid, with proper address as indicated below. The Issuer and the Trustee may, by written notice given by each to the other, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Indenture. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Issuer:

Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301
Attention: Chairman
Fax: 850-_____

To the Trustee:

The Bank of New York Mellon
Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department
Fax: _____

All documents (except cancelled Bonds) received by the Trustee under the provisions of this Indenture, or photographic copies thereof, shall be retained in its possession until this Indenture shall be released under the provisions of **Section 13.01**, subject at all reasonable times during normal business hours to the inspection of the Issuer, any Holders of at least five percent (5%) of the Outstanding Principal Amount of the Bonds and the agents and representatives thereof.

Section 14.03 Parties and Bondowners Alone Have Rights Under Indenture. Except as otherwise expressly provided herein or in a *Series Supplement*, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the Holders of the Bonds issued under the provisions of this Indenture any right, remedy or claim, legal or equitable, under or by reason of this Indenture or any provisions hereof, this Indenture and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners from time to time of the Bonds issued pursuant to the Indenture.

Section 14.04 Effect of Partial Invalidity. In case any one or more of the provisions of this Indenture or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture or of the Bonds, but this Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in this Indenture shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Issuer to the full extent permitted by law.

Section 14.05 Substitute Publication or Mailing. If, because of the temporary or permanent suspension of publication of any newspaper or financial journal or for any other reason, the Trustee or the Issuer shall be unable to publish in a newspaper or financial journal any notice required to be published by the provisions of this Indenture, the Trustee or the Issuer, as the case may be, shall give such notice in such other manner as in its judgment shall most effectively approximate such publication thereof, and the giving of such notice in such manner shall for all purposes of this Indenture be deemed to be compliance with the requirement for the publication thereof.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Bondowners when such notice is required to be given pursuant to any provision of this Indenture, any manner of giving notice as shall be satisfactory to the Trustee and the Issuer shall be deemed to be a sufficient giving of such notice.

Section 14.06 Headings, Table of Contents and Notes for Convenience Only. Any heading preceding the text of the several articles hereof and any table of contents or marginal

notes appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

Section 14.07 Payment Due on Weekends and Holidays. Unless otherwise provided in a *Series Supplement*, the date for making any payment of principal or premium, if any, or interest or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall be a legal holiday or a day on which banking institutions in the city where the applicable Fiduciary is located, are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or not a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Indenture.

Section 14.08 Security Instrument. A certified copy of this Indenture, delivered to and accepted by the Trustee, shall constitute a security agreement pursuant to and for all purposes of the Florida Uniform Commercial Code.

Section 14.09 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Florida Housing Finance Corporation has caused these presents to be signed in its name and behalf, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed and sealed in its name and behalf by its duly authorized officers, all as of the date first above written.

[SEAL]
ATTEST:

FLORIDA HOUSING FINANCE CORPORATION

Secretary

By: _____
Chairman

THE BANK OF NEW YORK MELLON TRUST
COMPANY N.A., AS TRUSTEE

By: _____
Name: _____
Title: _____