

GNMA PURCHASE AGREEMENT

This Agreement dated as of January 1, 2013 (the "Agreement"), is entered into by and between the Housing Finance Authority of Lee County, Florida (the "Authority") and Raymond James & Associates, Inc., or its successor in interest (the "Purchaser"), relating to the purchase of GNMA Certificates hereunder in connection with the Authority's 2013 Mortgage Origination Program (the "Program").

WHEREAS, the Purchaser wishes to provide the Authority with services related to the Agreement; and

WHEREAS, the Authority wishes to implement the Program to facilitate mortgage loan originations through its lender network and in its Program Area (as defined below); and

WHEREAS, the Authority and the Purchaser wish to enter into this Agreement to provide for the purchase of GNMA Certificates (as defined below) by the Purchaser from the Authority in connection with the Program;

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained herein, the parties agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions. All words and phrases defined in this Article I (except as expressly provided otherwise herein or unless the context otherwise requires) shall have the respective meanings specified in this Article I for all purposes of this Agreement.

"Agreement" means this GNMA Purchase Agreement entered into by and between the Authority and the Purchaser and includes all exhibits, amendments, or supplements hereto.

"Authority Fee" means the total fees of the Authority calculated as set forth in Section 3.10 herein.

"Authority's Financial Advisor" means First Southwest Company, or any successor appointed by the Authority.

"Custodian" means U.S. Bank National Association.

"Custodian GNMA Certificate Purchase Price" means the price paid by the Custodian to the Servicer to purchase GNMA Certificates pursuant to Section 3.08 hereof, which shall be the amount, as certified by the Program Administrator to the Custodian, equal to the Loan Purchase Price for the underlying Mortgage Loan or Loans, net of the servicing release premium and less the amounts permitted as lender compensation.

"Custody Agreement" means the GNMA Custody Agreement dated as of January 1, 2013, between the Authority and the Custodian pursuant to which the Custodian shall acquire GNMA Certificates under the Program from the Servicer prior to their delivery to the Purchaser.

"Debtor Relief Laws" means any applicable liquidation, conservatorship, bankruptcy, insolvency, rearrangement, moratorium, reorganization, or similar debtor relief laws affecting the rights of creditors generally from time to time in effect in the State or under the Laws of the United States of America.

"DPA Funds" means an amount of money made available as a non-repayable grant or second mortgage loan from the Authority or other permitted source to Mortgagors to assist in the payment of such Mortgagor's eligible down payment and closing costs related to the Mortgagor's Mortgage Loan.

"FHA" means the Federal Housing Administration of the Department of Housing and Urban Development of the United States of America, or any successor thereto.

"FHA Mortgage Loan" means a Mortgage Loan that is insured by the FHA.

"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 or any successor agency, corporation, or other instrumentality of the government of the United States of America.

"GNMA Certificate" means a certificate issued by the Servicer and guaranteed by GNMA pursuant to GNMA's Mortgage-Backed Securities Programs and other related provisions under the National Housing Act of 1934, as amended. Each GNMA Certificate hereunder shall be backed solely by Mortgage Loans meeting the requirements of this Agreement, and shall be TBA-Eligible.

"GNMA Certificate Purchase Price" means the price paid by the Purchaser to the Custodian on behalf of the Authority calculated as set forth in Section 3.07 hereof (or such other amount(s) as may be mutually agreed upon by the parties hereto) times the unpaid principal balance of the Mortgage Loans in the pool backing the applicable GNMA Certificate on record at GNMA on the first day of the month of purchase, plus accrued interest. Accrued interest is calculated based upon the unpaid principal balance of such Mortgage Loans times the applicable pass through rate divided by 360 and the result thereof times the number of days from the first day of the month of purchase to, but not including, the day of purchase.

"GNMA Guide" means either the GNMA I or II Mortgage-Backed Security Guides, as applicable, GNMA Hand-Book 5500.1 or GNMA Hand-Book 5500.2, as amended from time to time.

"Law" or *"Laws"* means all applicable statutes, laws, acts, regulations, orders, writs, injunctions, or decrees of the United States or any agency thereof, or any state or political subdivision thereof, or any court of competent jurisdiction thereof.

"Lender" means a lender qualified to originate Mortgage Loans in the Program Area, and approved by the Authority and the Servicer.

"Lender Agreement" means the agreement dated as of the date hereof by and between the Authority and each participating Lender under the Program.

"Loan Purchase Price" means the price to be paid by the Servicer to a Lender for a Mortgage Loan, which initially shall be 102% of the unpaid principal balance for FHA Mortgage Loans and USDA-RHS Mortgage Loans and 101.50% for VA Mortgage Loans, and any accrued and unpaid

interest thereon at the applicable Mortgage Loan rate from the Closing Date to, but not including, the Purchase Date.

"Mortgage Loan" means a loan evidenced by a Mortgage Note bearing interest at the applicable Mortgage Loan rate that is secured by a first lien Mortgage made to a Mortgagor meeting the requirements of Section 3.05 of this Agreement and is a FHA, VA or USDA-RHS Mortgage Loan with a 30-year term, fixed rate, and eligible for pooling into a GNMA Certificate. Refinanced loans are not eligible under the Program.

"Mortgage Loan Rate Sheet" means the notice submitted as frequently as each Business Day by the Purchaser to the Authority, the Servicer, and the Program Administrator that sets forth the then current Mortgage Loan rate that will be applicable for Mortgage Loans to be reserved under the Program.

"Mortgage Note" means the promissory note evidencing the obligation to repay a Mortgage Loan that shall be in the form acceptable to FHA, VA, or USDA-RHS, as applicable.

"Mortgagor" means any person who has a present ownership interest in the Residence and is the obligor(s) on a Mortgage Note.

"Notice Address" means:

As to the Authority: Housing Finance Authority of
Lee County, Florida
2449 First Street
Fort Myers, Florida 33901
Attention: Philip Burnett, Esq.
Telephone: (239) 334-1922
Email: philburnett@embarqmail.com

As to the Purchaser: Raymond James Financial, Inc.
880 Carillon Parkway
St. Petersburg, FL 33716
Attention: Nicholas Hoffer
Telephone: (727) 567-1263
Email: nicholas.hoffer@raymondjames.com
cc: donald.peterson@raymondjames.com
cc: tim.wranovix@raymondjames.com

"Participating Lender Agreement" means the agreement between the Servicer and each participating Lender setting forth the requirements for such Lender's approval and ability to sell mortgage loans, including Mortgage Loans originated pursuant to the Authority's Program, to the Servicer.

"Program Administrator" means Housing and Development Services, Inc. d/b/a eHousingPlus.

"Program Administration Agreement" means the agreement dated as of the date hereof between the Authority and the Program Administrator pursuant to which the Program Administrator will provide its online reservation system for Mortgage Loans under the Program, and review of such loans for compliance with the Authority's requirements for the Program set forth in such agreement and in the Program Administrator's Guidelines incorporated by reference therein.

"Program Administrator's Guidelines" means the written guidelines prepared by the Administrator and included as part of the Program Administration Agreement, which set forth terms for the reservation, review, origination, and delivery of Mortgage Loans, and the Authority's requirements with respect to such Mortgage Loans.

"Program Area" means the counties of Lee, Collier, Charlotte, Sarasota and DeSoto, as such area may be changed at the discretion of the Authority pursuant to the provisions of State law.

"Program Documents" means this Agreement and all other agreements, instruments, certificates, affidavits and exhibits attached to or contemplated thereby.

"Residence" means the property being acquired through the borrowing of money pursuant to a Mortgage Loan, consisting of real property and improvements thereon consisting of a single dwelling unit which is owned by a Mortgagor who occupies or intends to occupy such unit, including a condominium unit.

"Servicer" means initially U.S. Bank National Association.

"Servicing Agreement" means the agreement dated as of the date hereof between the Authority and the Servicer relating to the Program.

"State" means the State of Florida.

"TBA-Eligible" means a mortgage-backed security qualified for good delivery against a To-Be-Announced ("TBA") transaction in the taxable forward market for GNMA Certificates. Guidelines for such qualification are established by the Securities Industry and Financial Markets Association ("SIFMA") and detailed in the "Standard Requirements for Delivery of Settlements of Fannie Mae, Freddie Mac and Ginnie Mae Securities," also known as the "Good Delivery Guidelines."

"USDA-RHS" means the Rural Housing Service of the United States Department of Agriculture, its successors and assigns.

"USDA- RHS Mortgage Loan" means a Mortgage Loan guaranteed by the USDA-RHS.

"VA" means the Veterans Administration, an agency of the United States of America, or any successor to its functions.

"VA Mortgage Loan" means a Mortgage Loan guaranteed by the Veterans Administration, an agency of the United States or any successor, in accordance with the provisions of the Servicemen's Readjustment Act of 1944, as amended.

"Veteran" means a person who served in the active military, naval or air service, and who was discharged or released therefrom under conditions other than dishonorable (as provided in 38 U.S.C. Section 101) who has not previously obtained a loan financed by single family mortgage revenue bonds utilizing the veterans exception to the 3-year requirement set forth in Section 416 of the Tax Relief and Health Care Act of 2006.

**ARTICLE II
REPRESENTATIONS**

Section 2.01. Representations of the Authority. The Authority represents to the Purchaser that:

(a) It is a corporate body politic of the State, duly organized and validly existing under and pursuant to the laws of the State. The Authority has full power and authority to consummate all transactions, execute all documents, and issue all instruments contemplated by the Program.

(b) The implementation of the Program by the Authority and the performance of and compliance with the terms thereof will not violate any federal or state law applicable to the Authority in any respect that could have any material adverse effect whatsoever upon the validity, performance, or enforceability of any of the terms of such program.

(c) Assuming the due authorization, execution and delivery by the other parties hereto and thereto, this Agreement and all documents and instruments contemplated hereby that are executed and delivered by the Authority will constitute valid, legal, and binding obligations of the Authority, enforceable in accordance with their terms, except as the enforcement thereof may be limited by applicable Debtor Relief Laws.

(d) The Authority has entered into the Servicing Agreement, the Program Administration Agreement, the Lender Agreement, and the Custody Agreement, and the Authority shall use its best efforts to cause such agreements (or successor agreements to the same effect) to remain in effect throughout the term of this Agreement. Such agreements were executed and delivered by the Authority, and, assuming the due authorization, execution and delivery by the other parties thereto, constitute valid, legal, and binding obligations of the Authority, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by applicable Debtor Relief Laws.

Section 2.02. Representations of the Purchaser. The Purchaser represents to the Authority that:

(a) The Purchaser is duly organized and existing under the laws of the State of Florida, and is duly authorized to transact business in the State and is in good standing under the laws of the State with full corporate power to conduct its business.

(b) All corporate proceedings required to be taken by the Purchaser in connection with the authorization and execution of this Agreement and the consummation of the transactions contemplated hereby and related hereto, and all such approvals, authorizations, consents, licenses or other orders of state or federal regulatory agencies, public boards or bodies, if any, as may be legally required to be obtained by the Purchaser prior to the date of this Agreement with respect to all or any of such matters, have been taken or obtained.

(c) This Agreement has been duly authorized, executed and delivered by the Purchaser and, assuming the due authorization, execution and delivery by the other parties thereto, when executed and delivered by the Purchaser, will constitute the legal, valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as enforcement may be limited by applicable Debtor Relief Laws.

(d) The Purchaser has full legal authority to engage in the activities covered by this Agreement, and, the execution and delivery of this Agreement and compliance with its terms, conditions and provisions does not and will not conflict with or result in a breach of any of the terms, conditions or provisions of the organizational documents of the Purchaser or any agreement or instrument to which it is a party or by which it is bound, or any law or regulation or any administrative decree or order to which it is subject, or constitute a default thereunder.

(e) The Purchaser is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default will materially and adversely impair its ability to perform its obligations under this Agreement.

(f) The Purchaser is not a party to or bound by any agreement or instrument or subject to any charter or any other corporate restriction or any judgment, order, writ, injunction, decree, law or regulation which will materially and adversely affect the ability of the Purchaser to perform its obligations under this Agreement or which requires the consent of any third person to the execution of this Agreement or the consummation of the transactions contemplated hereby.

(g) No litigation has been served on the Purchaser or threatened against the Purchaser with respect to this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE III GNMA PURCHASE PROGRAM

Section 3.01. Program Term. The Program shall commence on the date of execution of this Agreement by the Authority and the Purchaser on which Mortgage Loan reservations will be accepted and will continue for an initial one-year term, as may be extended in writing by the parties hereto, and subject to the termination provisions set forth herein.

Section 3.02. Program Size. The total maximum aggregate principal amount of Mortgage Loans reserved by the Lenders and the Program Administrator, closed by the Lenders, and/or purchased by the Servicer as of any date, excluding the amount of any DPA Funds provided pursuant to Section 3.08 hereof, shall not exceed \$10,000,000 (the "Maximum Amount"), unless the Purchaser agrees in writing to an increase in the Maximum Amount; provided, however, that (i) Mortgage Loans for which reservations are cancelled or otherwise do not close or are not sold to the Servicer, or (ii) GNMA Certificates (backed by Mortgage Loans) purchased by the Purchaser hereunder shall not count against the Maximum Amount.

Section 3.03. Delivery of Mortgage Loans. Each Mortgage Loan originated under the Program must be originated in accordance with the Servicing Agreement, the Lender Agreement, the Program Administrator's Guidelines, and the Participating Lender Agreement and the timetable set forth in the next paragraph. The Purchaser is under no obligation to purchase a GNMA Certificate that has pooled a Mortgage Loan that is not delivered and purchased within the established timetable. The Authority represents that it has communicated to the Servicer and the Program Administrator, and the Servicer and the Program Administrator have agreed to the Mortgage Loan delivery guidelines outlined below and in the Program Administrator's Guidelines.

Once a Mortgage Loan is reserved by a Lender with the Program Administrator and such Lender is provided a reservation number by the Program Administrator, such Mortgage Loan must be:

- (1) Underwriter-certified within fifteen (15) days of the Mortgage Loan reservation date;

(2) Closed by the Lender and delivered to the Servicer within forty-five (45) days of the Mortgage Loan reservation date; and

(3) Purchased by the Servicer within seventy (70) days of the Mortgage Loan reservation date.

Any Mortgage Loan not purchased within the seventy (70) day period referenced above is ineligible for purchase unless the Lender elects a one-time only 30-day extension. The cost of the extension is \$375 per Mortgage Loan payable to the Purchaser, and the extension fee is due whether or not a Mortgage Loan is ultimately delivered and/or purchased. The \$375 per Mortgage Loan extension fee will be netted from the Loan Purchase Price by the Servicer when the Mortgage Loan is purchased from the Lender. If an extension is elected, but the related Mortgage Loan is not purchased by the required purchase date, the Lender will be billed by the Program Administrator for the extension fee of \$375 per Mortgage Loan. The Authority agrees to make any Lender with total outstanding extension fees of \$3,750 ineligible to participate in the Program until the unpaid balance of extension fees is paid in full. The Purchaser and the Authority may mutually agree to allow Lenders with unpaid extension fee balances exceeding \$3,750 to continue originating Mortgage Loans. The Authority reserves the right, with the written consent of the Purchaser, to increase the extension fee.

Section 3.04. Lenders. Pursuant to the Lender Agreement, each Lender shall originate and sell Mortgage Loans in accordance with the terms of the Lender Agreement, the related Program Administrator's Guidelines, Program Administration Agreement, and the Lender's participation agreement with the Servicer. If any Lender consistently cancels reservations for Mortgage Loans, or consistently fails to close Mortgage Loans or timely sell such Mortgage Loans to the Servicer, then the Purchaser may consult with the Authority and direct that the Authority, the Servicer, and the Program Administrator terminate such Lender from further participation in the Program.

Section 3.05. Mortgagor Qualifications. Each Mortgagor must (i) meet the Authority's requirements as set forth in the Lender Agreement and Program Administrator's Guidelines, (ii) be approved by the applicable Lender, (iii) qualify for the applicable Mortgage Loan with respect to a Residence located within the Program Area, (iv) have a minimum FICO score of 640 and maximum "debt-to-income" ratio (DTI) of 45, and (v) unless modified by the Authority and the Purchaser, have a maximum annual income not greater than those set forth in the Program Administrator's Guidelines. In the event that a Mortgage Loan is paired with a Mortgage Credit Certificate (MCC), the Mortgagor must in addition meet the requirements of the related MCC program.

Section 3.06. Delivery of Mortgage Rate Sheets and Establishment of Mortgage Loan Rates. Unless otherwise directed by the Authority or the Authority's Financial Advisor, the Purchaser shall send a Mortgage Loan Rate Sheet to the Authority's Financial Advisor by email as frequently as each business day during the term hereof at approximately 9:30 a.m. Eastern time. Upon receipt of the Mortgage Loan Rate Sheet, the Authority's Financial Advisor, on behalf of the Authority, will instruct the Purchaser, the Servicer and the Program Administrator of the Mortgage Loan rate that shall be applicable for such business day. If the Purchaser does not send a Mortgage Loan Rate Sheet or the Authority's Financial Advisor does not advise of a selection of a Mortgage Loan rate on any business day, then the Mortgage Loan rate for the current day shall be the same as from the prior business day the Authority's Financial Advisor selected a Mortgage Loan rate. On any date during the term hereof, if the Purchaser determines that the Authority Fee (calculated as set forth in Section 3.10 hereof) on any Mortgage Loan reserved on that date would result in an Authority Fee less than 0.00% and the Purchaser is unable to contact the Authority's Financial Advisor, the Purchaser may instruct the Program Administrator to suspend reservations until such time as the Authority's Financial Advisor can be reached. Only one

Mortgage Loan rate will be in effect for any day unless the Purchaser otherwise instructs the Authority and the Servicer and Program Administrator.

The Purchaser shall send such notice by email to the following addresses, unless otherwise notified by the Authority or the Servicer or Program Administrator, as applicable:

rmiller@firstsw.com

Lenders may reserve Mortgage Loans with the Program Administrator with respect to the then current Mortgage Loan rate on any business day between 10:00 a.m. and 8:00 p.m. Eastern time.

Section 3.07. Determination of GNMA Certificate Purchase Prices. The Purchaser shall establish GNMA Certificate Purchase Prices based on market pricing for the future delivery of Mortgage Loan production, less a fee to the Purchaser for the assumption of pipeline management risk and hedging cost in the amount of 1.25% of the principal (par) amount of the Mortgage Loans reserved. The Purchaser shall calculate the GNMA Certificate Purchase Price by selecting the "to be announced" (TBA) price in the taxable forward market for GNMA Certificates at approximately 9:00 a.m. Eastern time each business day for an appropriate GNMA I Certificate or a GNMA II Certificate less, in each case, the 1.25% fee to the Purchaser. The selection of a TBA price for a GNMA I Certificate versus a GNMA II Certificate shall be determined by the certificate type into which Mortgage Loans of a particular interest rate will be pooled (set forth in Section 3.09 below). The TBA price that is selected shall be for a TBA "good delivery" date that is a minimum of 90 days and not more than 120 days from the issue date of the related Mortgage Loan Rate Sheet. If there is no published TBA price for the delivery date that meets the requirements set forth herein for delivery of the GNMA Certificates to the Purchaser, then the Purchaser shall use its best efforts to determine the market price. Tradeweb, a widely used inter-dealer electronic market that provides real-time market data, will be the source of TBA price information for the Purchaser.

Section 3.08. DPA Funds and Points; Lender Income; GNMA Certificate Purchase. Initially, the Authority shall provide DPA Funds to each Mortgagor as a non-repayable grant in the amount of 3.00% of the initial principal balance of the Mortgage Loan, to be funded as described below; provided, however that the Authority may change the amount and/or form of DPA Funds provided to Mortgagors at any time during the term hereof with the consent of the Purchaser (which consent shall not be unreasonably withheld).

The Custodian, on behalf of the Authority and using the Authority's funds, shall advance the DPA Funds to the Mortgagor at Mortgage Loan closing upon timely receipt of a request as provided in the Custody Agreement. Notwithstanding the foregoing, the Authority may advance DPA Funds in such manner as it shall determine in its sole discretion to be in its best interests including, to the extent permitted by applicable laws, (i) allowing Lenders to directly advance such DPA Funds on behalf of the Authority, or (ii) allowing entities in counties added to the Program Area subsequent to the execution hereof to advance such DPA Funds, using their own respective funds, to Mortgagors located in such additional counties.

Lenders may charge a maximum aggregate of 2.00% (1.50% for VA Loans) for origination and/or discount fees, with such lender compensation to be included in the Loan Purchase Price, plus their usual and customary fees. The Authority represents that it has directed the Program Administrator to advise each Lender that should a Lender decide not to charge the maximum origination and/or discount fees, as described above, the excess amount included in the Loan Purchase Price may only be used for closing costs and cannot be used for down payment assistance.

On the settlement date of a GNMA Certificate hereunder, (i) the Purchaser shall wire the GNMA Certificate Purchase Price, to the Custodian, (ii) the Servicer then will deliver such GNMA Certificate "delivery versus payment" (DVP) to the Custodian at the Custodian GNMA Certificate Purchase Price, (iii) the Custodian in turn shall "free deliver" such GNMA Certificate to the Purchaser, and (iv) the Custodian finally shall remit to the Authority all remaining funds as the Authority Fee as set forth in Section 3.10 hereof relating to such GNMA Certificate.

At the option of the Authority, DPA Funds may be provided to the Lender from a source other than the Custodian upon notice to the Program Administrator with respect to where the request for DPA Funds shall be made.

Section 3.09. Mortgage Loan Reservation, Purchase, and Pooling. The Administrator shall provide for the reservation of Mortgage Loans under the Program by participating and approved Lenders pursuant to the terms of the Program Administration Agreement. The Servicer has agreed to purchase such Mortgage Loans pursuant to the terms of the Servicing Agreement and its Participating Lender Agreement and to pool them into GNMA Certificates for delivery as expeditiously as possible. The Authority hereby agrees to sell all of the GNMA Certificates created under the terms of this Agreement to the Purchaser and the Purchaser hereby agrees to purchase such GNMA Certificates pursuant to the terms hereof. The Purchaser shall only purchase qualifying GNMA Certificates hereunder, not Mortgage Loans.

The Authority represents that instruction has been provided to the Servicer to deliver GNMA Certificates as expeditiously as possible but also in such a manner consistent with the instructions provided by the Purchaser on behalf of the Authority. Initial pooling instructions are detailed below. The Servicer shall provide notice of the proposed delivery date of a GNMA Certificate a minimum of two (2) business days prior to its delivery.

- (i) The Authority represents that instruction has been provided to the Servicer to pool all Mortgage Loans with an interest rate ending in .25% or .75% (e.g., 3.25%, 3.75%, 4.25%, 4.75%, 5.25%, 5.75% Mortgage Loan interest rates) into TBA-Eligible GNMA II multi-issuer Certificates using 0.25% as the servicing / guaranty fee.
- (ii) The Authority represents that instruction has been provided to the Servicer to pool all Mortgage Loans with an interest rate ending in .375% or .875% (e.g., 3.375%, 3.875%, 4.375%, 4.875%, 5.375%, 5.875% Mortgage Loan interest rates) into TBA-Eligible GNMA II multi-issuer Certificates using 0.375% as the servicing / guaranty fee.
- (iii) The Authority represents that, absent any pool-specific instruction from the Purchaser, instruction has been provided to the Servicer to pool all Mortgage Loans with an interest rate ending in .00% or .50% (e.g., 3.00%, 3.50%, 4.00%, 4.50%, 5.00%, 5.50% Mortgage Loan interest rates) into TBA-Eligible GNMA II multi-issuer Certificates using 0.50% as the servicing / guaranty fee.
- (iv) The Authority represents that instruction has been provided to the Servicer to pool all Mortgage Loans with an interest rate ending in .125% and .625% (e.g., 3.125%, 3.625%, 4.125%, 4.625%, 5.125%, 5.625% Mortgage Loan interest rates) into TBA-Eligible GNMA II multi-issuer Certificates using 0.625% as the servicing / guaranty fee.

The Purchaser and Authority agree that situations may arise that will require Certificates to be pooled in a manner that is different than the instructions previously provided by the Purchaser. In each case, the pooling instructions provided to the Servicer must be acceptable to the Authority, Purchaser and

the Servicer, and in no event shall the Servicer be given instructions to pool Mortgage Loans into GNMA Certificates which are not TBA-Eligible. A situation may occur when Mortgage Loans that would otherwise be pooled into a GNMA II Certificate are ultimately pooled into a GNMA I Certificate, if Mortgage Loans with a sufficient principal amount to meet the minimum principal balance for a GNMA I Certificate to be TBA-Eligible are scheduled for pooling. If Mortgage Loans anticipated to be pooled into a GNMA II Certificate are ultimately pooled into a GNMA I Certificate, the GNMA Certificate Purchase Price for each Mortgage Loan comprising the delivered GNMA Certificate will be adjusted to reflect the type of GNMA Certificate that is delivered.

Should the Purchaser fail to purchase a GNMA Certificate from the Authority within two (2) days of its delivery then, at the option of the Authority, the Authority may direct the Servicer to sell the GNMA Certificate in a recognized market at such price or prices as the Authority may deem satisfactory and apply the proceeds thereof to the aggregate unpaid balance owed by the Purchaser under this Agreement, including the Authority Fee. If the sale is completed by the Authority, the Purchaser agrees to remit funds to the Authority within fifteen (15) days of notice of the completed sale for any discount in the selling price below the GNMA Certificate Purchase Price excluding any accrued interest plus any other reasonable loss, damage, cost or expense directly arising or resulting from the failure of the Purchaser to purchase the GNMA Certificate.

Should the Authority intentionally fail to sell TBA-Eligible GNMA Certificates to the Purchaser that have been delivered to it by the Servicer and issued pursuant to this Agreement, the Authority shall be in default under this Agreement and shall pay to the Purchaser reasonable losses, damages, costs or expenses directly arising or resulting from the intentional failure of the Authority to sell such GNMA Certificates to the Purchaser. The foregoing provision applies only to the Authority's intentional failure to sell TBA-Eligible GNMA Certificates to the Purchaser and not any failure resulting from the failure to perform by other parties. The Authority represents that if the Authority fails to sell TBA-Eligible GNMA Certificates to the Purchaser as a result of the failure to perform by other parties, upon written request by the Purchaser to the Authority, the Authority shall in good faith pursue, on behalf of or jointly with the Purchaser, all reasonably available legal remedies under agreements and contracts to which the Authority is a party but which the Purchaser does not reasonably believe it is legally able to enforce and only such matters as the Purchaser does not believe that it is legally able to enforce, to enable the Purchaser to seek reimbursement for damages, losses or expenses incurred by the Purchaser that directly arise or result from a breach or default under such agreements or contracts, as applicable. Simultaneously with notice from the Purchaser to the Authority to pursue such matter or matters, the Purchaser agrees that it will advance and pay all attorneys' fees and costs for services rendered or to be rendered on behalf of the Authority in connection with such a request. In addition, in the event that the Purchaser requests the Authority to pursue any matters pursuant to this provision and the Authority does so, the Purchaser agrees to and will indemnify and hold the Authority harmless from any and all liability that it may incur as a result of its pursuing such action on behalf of the Purchaser, including but not limited to damages, attorneys' fees and costs, including on appeal.

Section 3.10. Authority Fee. The Authority Fee relating to each GNMA Certificate purchased by the Purchaser hereunder shall be the amount resulting from the sale of such GNMA Certificate to the Purchaser, taking into consideration the GNMA Certificate Purchase Price for each Mortgage Loan (with such GNMA Certificate Purchase Prices changing daily, an example is included as Exhibit A hereto), the servicing release premium paid to the Authority by the Servicer and the aggregate lender compensation paid to the originating lender by the Authority for each Mortgage Loan underlying the GNMA Certificate. The Authority Fee shall be paid by the Custodian to the Authority, in accordance with the Custody Agreement, when, as, and if the resulting GNMA Certificates are purchased by the Purchaser. The Authority Fee paid by the Custodian shall be the net amount available after any GNMA Certificate purchase described in Section 3.08 hereof and no further calculation or certification shall be

required of the Custodian. The Authority shall be responsible for its fees and expenses (e.g., custodian, financial advisory and/or legal for review of this Agreement and related documents) in connection with its implementation of the Program.

Section 3.11. One-Time Extension Fee Income. As described in Section 3.03, Lenders may elect a one-time 30-day extension for loans reserved subject to purchase beyond seventy (70) days from loan reservation for a fee of \$375 per Mortgage Loan. The Authority agrees to cause the Program Administrator to use its best efforts to collect extension fees from the Servicer, in the case of purchased Mortgage Loans, and from the Lenders, in the case of Mortgage Loans subject to the one-time extension and cancellation. All extension fee income collected on behalf of the Authority will be paid to the Purchaser to offset the Purchaser's hedging costs hereunder.

ARTICLE IV TERMINATION

Section 4.01. Termination of the Program. Each of the parties hereto may terminate its participation in the Program contemplated hereunder by providing thirty (30) days written notice to the other party. The respective obligations of the parties with respect to Mortgage Loans reserved, closed, purchased, or pooled hereunder prior to such notice of termination, however, shall continue until such Mortgage Loans have been canceled or have been pooled into GNMA Certificates by the Servicer and purchased by the Purchaser.

Section 4.02. Disruption of Pipeline Information Availability. If there is a disruption in the availability or transmission of Mortgage Loan reservation and pipeline information from the Servicer or the Program Administrator to the Purchaser, the Purchaser, in its sole discretion, may determine whether to suspend reservation of Mortgage Loans hereunder during the period of any such disruption.

Section 4.03. Change in Status of Representations, Warranties and Covenants of the Authority or the Servicer or Program Administrator. If it is determined that an adverse change in the status of representations, warranties or covenants of the Authority or the Servicer or Program Administrator under this Agreement or under the Servicing Agreement, the Program Administration Agreement, or the Lender Agreement (as applicable) will result in an inability of this Agreement to be administered effectively, the Purchaser, in its sole discretion, may determine whether to suspend reservation of Mortgage Loans hereunder during the period of any such inability.

Section 4.04. Pooling of Mortgage Loans into GNMA Certificates. If it is determined by the Purchaser that the Servicer is unable to consistently deliver GNMA Certificates within one hundred (100) days of the reservation of Mortgage Loans backing the GNMA Certificate, the Purchaser may provide notice of termination of future reservation of Mortgage Loans hereunder with five (5) days written notice to the parties.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01. Amendments, Changes, and Modifications. This Agreement may not be amended, changed, modified, or altered except with the written consent of the parties by an instrument in writing that specifically refers to this Agreement and that is executed by all parties adversely affected by such amendment, change, modification, or alteration.

Section 5.02. Governing Law. This Agreement shall be construed in accordance with the Laws of the State, and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such Laws.

Section 5.03. Notices. All notices, certificates, or other communications hereunder shall be deemed given when delivered or five (5) business days after mailing by certified or registered mail, postage prepaid, return receipt requested, addressed to the appropriate Notice Address. The Authority or the Purchaser may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates, and other communications shall be sent.

Section 5.04. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. Such invalid or unenforceable provision shall be amended, if possible, in accordance with Section 5.01 in order to accomplish the purposes of this Agreement.

Section 5.05. Further Assurances and Corrective Instruments. To the extent permitted by Law, each of the Authority and the Purchaser agrees that it will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required or appropriate to further express the intention, or to facilitate the performance, of this Agreement.

Section 5.06. No Rights Conferred on Others. Nothing in this Agreement shall confer any right upon any person other than the Authority and the Purchaser.

Section 5.07. Limitation on Liability of Parties. Each party to this Agreement shall be liable under this Agreement only to the extent that obligations are explicitly imposed upon and undertaken by the party against whom enforcement is sought. The Purchaser and the Authority shall not be liable to any other party for the taking of any action, or for refraining to take any action, in good faith pursuant to this Agreement, or for errors in judgment. In addition, in the event any party to this Agreement is entitled to indemnification hereunder, the officers, directors, employees, and agents of such party shall also be entitled to indemnification hereunder to the same extent and under the same circumstances as such party.

Section 5.08. Limitation on Liability of Directors, Officers, Employees, Attorneys, and Agents of a Party. No director, officer, employee, attorney, agent or governmental official of any party to this Agreement shall be individually liable to any other party for the taking of any action, or for refraining to take any action, pursuant to this Agreement, or for errors in judgment.

Section 5.09. Survival of Obligations and Covenants. Notwithstanding anything to the contrary herein, the expiration of this Agreement or the termination or resignation of any party to this Agreement shall not affect any obligations of any party under this Agreement. The representations, warranties, and covenants of the parties under Article II shall continue without regard to any termination of the Agreement hereunder. Any indemnities in this Agreement shall survive the termination of the Agreement.

Section 5.10. Program Area. The Authority may, pursuant to the provisions of State law, add additional counties to the Program Area. Should additional counties be added to the Program Area, the Authority may (i) advance DPA Funds to Mortgagors in such county or (ii) to the extent permitted by applicable law, allow an entity in such county to advance DPA Funds to Mortgagors in such county.

Section 5.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original; *provided, however,* that all such counterparts shall together constitute one and the same instrument.

Section 5.12. Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only, and shall not be deemed to be a part of this Agreement.

Section 5.13. Reports and Payments Due on Weekends and Holidays. Any report, certificate, or payment required hereunder falling due on a Saturday, Sunday, or other day on which banking institutions in the State are authorized or obligated by Law or executive order to close shall be due on the next succeeding day which is not a Saturday, Sunday, or a day on which banking institutions are authorized or obligated by Law to close, or a day on which the payment system of the Federal Reserve System is not operational.

Section 5.14. Agreement to Pay Attorneys' Fees. If it is determined in a judicial proceeding that a party has failed to perform under any provision of this Agreement ("Offending Party") or if the other party shall employ attorneys or incur other expenses for the enforcement, performance, or observance of the terms of this Agreement on the part of the Offending Party, then the other party shall be reimbursed by the Offending Party on demand for reasonable attorneys' fees and other out-of-pocket expenses.

Section 5.15. Acceptance. This Agreement shall become binding upon acceptance and execution by all the parties.

IN WITNESS WHEREOF, the Authority and the Purchaser have caused this Agreement to be executed by their respective duly authorized officers, all as of the date and year first written above.

**HOUSING FINANCE AUTHORITY OF LEE
COUNTY, FLORIDA**

By:  _____
E. Walter Barletta, Chairman

RAYMOND JAMES & ASSOCIATES, INC.


By:  _____
Name: NICHOLAS HORVATH
Title: VICE PRESIDENT, PUBLIC FINANCE

Exhibit A

To GNMA Purchase Agreement

Sample Mortgage Loan Rate Sheet

Lee HFA

Current Date **2/7/2013**

RJ Purchase Price ¹		Servicer Pays Lender			HFA Pays Servicer ⁵		HFA Residual ³			Servicing Release Premium Detail ⁴			
Mortgage Rate	<u>GNMA Certificate Purchase Price</u>	Loan Par Amount	Origination Fee ²	<u>Loan Purchase Price</u>	Payment for Servicing ⁴	<u>Custodian GNMA Certificate Purchase Price</u>	<u>Authority Fee</u>	Gross DPA ²	HFA Residual ³	Gross Servicing Spread	Guaranty Fee	Net Servicing Fee	Payment for Servicing
3.250%	102.672%	-100.000%	-2.000%	-102.000%	0.170%	-101.830%	0.842%	-3.000%	-2.158%	0.250%	0.060%	0.190%	0.170%
3.375%	102.672%	-100.000%	-2.000%	-102.000%	0.740%	-101.260%	1.412%	-3.000%	-1.588%	0.375%	0.060%	0.315%	0.740%
3.500%	102.672%	-100.000%	-2.000%	-102.000%	1.190%	-100.810%	1.862%	-3.000%	-1.138%	0.500%	0.060%	0.440%	1.190%
3.625%	102.672%	-100.000%	-2.000%	-102.000%	1.600%	-100.400%	2.272%	-3.000%	-0.728%	0.625%	0.060%	0.565%	1.600%
3.750%	105.578%	-100.000%	-2.000%	-102.000%	0.090%	-101.910%	3.668%	-3.000%	0.668%	0.250%	0.060%	0.190%	0.090%
3.875%	105.578%	-100.000%	-2.000%	-102.000%	0.580%	-101.420%	4.158%	-3.000%	1.158%	0.375%	0.060%	0.315%	0.580%
4.000%	105.578%	-100.000%	-2.000%	-102.000%	0.940%	-101.060%	4.518%	-3.000%	1.518%	0.500%	0.060%	0.440%	0.940%
4.125%	105.578%	-100.000%	-2.000%	-102.000%	1.290%	-100.710%	4.868%	-3.000%	1.868%	0.625%	0.060%	0.565%	1.290%
4.250%	106.578%	-100.000%	-2.000%	-102.000%	0.010%	-101.990%	4.588%	-3.000%	1.588%	0.250%	0.060%	0.190%	0.010%
4.375%	106.578%	-100.000%	-2.000%	-102.000%	0.430%	-101.570%	5.008%	-3.000%	2.008%	0.375%	0.060%	0.315%	0.430%

Notes:

Underlined terms have the meaning ascribed thereto in the GNMA Purchase Agreement.

- Raymond James will pay the GNMA Certificate Purchase Price for mortgage loans reserved on the eHousingPlus reservation system and delivered pursuant to the terms of a GNMA Purchase Agreement between the Authority and Raymond James. Purchase Prices do not include any 30 day extension fees.
- The Authority has sole discretion over the program's level of assistance and origination fee. Raymond James may periodically suggest program changes to increase the attractiveness of the loan
- Raymond James is providing the calculation of Authority Fee for reference only and is based on certain assumptions with respect to the Authority's program.
- The payment for servicing values are based on US Bank's Market Rate FHA SRP Schedule for Florida and is subject to change at any time or upon change of mortgage rate. The payment for servicing on VA loans is estimated to be 0.50% less than the values shown.
- The HFA has engaged a Custodian to act on its behalf.