

LOAN PARTICIPATION SALE AND TRUST AGREEMENT

THIS SALE AND TRUST AGREEMENT ("Agreement") is made in the State of _____ between _____ ("Seller), and _____ ("Buyer") for mutual considerations herein evidenced.

This Agreement governs the sale and transfer by Seller to Buyer of the undivided participation ownership interests in the mortgage loans ("loan" or "loans") identified in Section 1.01 of this Agreement, including the percentage of the principal amount of loans representing the undivided interests sold, the purchase price, the interest to be paid to Buyer, and Seller's responsibilities for servicing and other incidents, including those of trusteeship, with respect to the resulting participation ownership interests. Seller's trusteeship responsibilities and the warranties and representations made by Seller herein are made for the benefit of Buyer and its successor and assignees, and shall be binding upon Seller, whether or not Seller services the loans.

ARTICLE I: SALE AND TRANSFER OF UNDIVIDED PARTICIPATION INTERESTS IN LOANS

Section 1.01. Sale and Identification of Participation Ownership Interests.

Seller hereby agrees to sell to Buyer and Buyer hereby agrees to buy from Seller the undivided participation ownership interests in the loans identified in the Participation Certificate in the form attached hereto as "Exhibit A" and issued pursuant to this Agreement. The Participation Certificate specifies, among other things, the percentage of the principal amount of the loans sold, the identification of the loans sold, the purchase price paid by Buyer, and the interest to be paid to Buyer.

Section 1.02. Warranties and Representations.

(a) Seller's Ownership of Loans Sold and Compliance with Applicable Law.

Seller hereby represents and warrants that as of the date Buyer buys an undivided participation ownership interest in any loan and is issued a Participation Certificate under this Agreement in evidence thereof, all loans described in such Participation Certificate are loans owned by Seller, having been made or acquired by it pursuant to and in compliance with all applicable federal and state laws, rules, and regulations as from time to time amended, including but not by way of limitation; applicable usury limitations, the Truth-in-Lending Act of 1968, the Equal Credit Opportunity Act, the Real Estate Settlement Procedures Act, the Depository Institutions Deregulation and Monetary Control Act of 1980, the Garn-St. Germain Depository Institutions Act of 1982, applicable financial institution investment requirements, Federal Savings and Loan Insurance Corporation (FSLIC) laws and regulations, and all other regulations issued in implementation of the foregoing laws; and that all conditions within the control of Seller and the servicer as to the validity of the applicable insurance or guaranty as required by the National Housing Act of 1934, as amended and the rules and regulations thereunder, or as required by the Servicemen's Readjustment Act of 1944, as amended and the rules and regulations thereunder, or by the mortgage insurance companies or other insurers, have been properly satisfied, and said insurance or guaranty is valid and enforceable.

(b) Possession of Loan Documentation on Date of Sale.

Seller further represents and warrants that it is authorized to sell the participation interests described in Article I, Section 1.01 of this Agreement, and that such participation interests are eligible under applicable laws and regulations and this Agreement for purchase by Buyer; that Seller has in its possession all instruments representing each such loan and all records required to be maintained for such loans (and will provide upon request access thereto at any reasonable time during normal business hours and pursuant to applicable law and regulations, will deliver copies of any such instruments and records to Buyer on its request and at its cost), including, but not by way of limitation: (1) the mortgage note; (2) the appropriate security instrument; (3) separate assignments of rents, if any; (4) applicable loan applications; (5) appropriate evidence indicating loan debtor's receipt of the disclosure materials as required by the applicable loan and disclosure rules and regulations; (6) an appraisal or signed report of a certificate of valuation that is in compliance with requirements of applicable FSLIC regulations; (7) properly signed loan closing settlement statement or statements; (8) Seller-attorney's mortgage lien opinion, or paid up title insurance policy payable to Seller in an amount at least equal to the outstanding principal balance of

the loan, or other documentary evidence customarily used in the jurisdiction in which the security property is located, affirming the quality and validity of Seller's lien securing the loan, provided however certain documentary evidence that is not required by applicable law, rules and regulations is excepted from the above requirement; (9) hazard insurance policies in an amount representing coverage at least equal to the outstanding principal balance, or the full insurable value of the improvements, whichever is less, and of a type substantially in the form of and at least as protective as the fire and extended coverage contained in the "New York" loss mortgage clause (also known as "standard" or "union" loss mortgage clause) which provides that Seller's hazard insurance is not invalidated by acts of the debtor; (10) such flood insurance policy is as required under the Flood Disaster Protection Act of 1973, as amended, and implementing and other regulations; and (11) on loans secured by junior liens, documentation sufficient to indicate that the total liens on the applicable security property do not exceed applicable loan-to-value ratio requirements.

(c) Other Warranties and Representations.

Seller further represents and warrants that as of the date of the Participation Certificate identified in Article I, Section 1.01 of this Agreement; (1) each loan is current as to scheduled periodic payments; (2) there are no delinquent tax or assessment liens, or mechanics' liens on the security properties; (3) the security properties are free of substantial damage and are in good repair; (4) none of the loans are pledged as collateral for any loan or for any other purpose; (5) no part of the security properties has been released from the liens securing the applicable loans; (6) all representations as to each such loan are true and correct, including, but not by way of limitation, the amount due; and (7) Seller has in its possession and will maintain in its records a signed opinion by its attorney stating whether the terms of this Agreement provide for a sale without recourse.