

2. Have Qualified Staff and Adequate Facilities. The Seller must, at all times, have employees who are well trained and qualified to perform the functions required of the Seller under this Master Agreement. In addition, the Seller must maintain facilities that are adequate to perform its functions under this Master Agreement.
3. Maintain Fidelity Bonds and Errors and Omissions Coverage. The Seller must maintain, at its own expense, a fidelity bond and errors and omissions insurance as required by the Guide.
4. Report Basic Changes. The Seller must notify FHLBI promptly in writing of any changes that occur in its principal purpose, activities, staffing, or facilities that could adversely affect its ability to perform its obligations hereunder.
5. Failure to Comply with Eligibility Standards. It is a breach of this Master Agreement if the Seller fails at any time to meet FHLBI standards for eligible Mortgage Sellers or Servicers so that, in FHLBI's sole opinion, the Seller's ability to comply with FHLBI Guidelines, this Master Agreement, any other Program Documents, or the Guide is adversely affected.

D. Status of Seller.

The Seller must immediately notify FHLBI of a change in its status or ownership, including sale or transfer of a majority interest in it, merger, consolidation, or change in legal structure.

E. Access to Seller's Records.

The Seller agrees to permit FHLBI employees or designated representatives to examine or audit records or accounts relating to Mortgages sold or Serviced under this Master Agreement. All records relative to the Seller's continued eligibility to sell or Service Mortgages under this Master Agreement may also be examined or audited. Any examination or audit made on FHLBI's behalf will be conducted during regular business hours unless the Seller agrees otherwise.

II. SALE OF MORTGAGES.

A. Purchases.

Purchases of Mortgages will be governed by the FHLBI Guidelines, the Master Commitment Contract, the Mandatory Delivery Contract, the Guide, this Master Agreement, and the other Program Documents.

1. Eligible Mortgages. The Mortgages purchased by FHLBI must meet the requirements in effect under the Guide, and this Master Agreement, on the day FHLBI executes a Mandatory Delivery Contract either via FHLBI's Loan Acquisitions System (LAS) or verbally. Each Mortgage purchased by FHLBI under the Mortgage Purchase Program shall be a 5 to 30 year fixed rate, fully amortizing, level-payment Mortgage that meets FHLBI's underwriting standards, and does not violate FHLBI's Anti-Predatory Lending Policy for Acquired Member Assets.
2. FHLBI Has No Obligation to Purchase. This Master Agreement does not obligate FHLBI to purchase or to make a commitment to purchase any Mortgage from the Seller. The Seller must also execute a Master Commitment Contract, which is a best efforts contract to sell Mortgages to FHLBI, and pursuant thereto, Mandatory Delivery Contracts which obligate the Seller to sell a specified dollar amount of Mortgages with specified characteristics to FHLBI at a specified Purchase Price for a specified Settlement Date.
3. Delegated Underwriting. By executing this Master Agreement, FHLBI hereby delegates underwriting authority to the Seller, and the Seller agrees to meet FHLBI Underwriting Guidelines for each Mortgage.

III. REPRESENTATIONS AND WARRANTIES.

A. Representations and Warranties Regarding the Seller.

All the representations, warranties, and covenants contained in this Master Agreement are made by the Seller to FHLBI and its successors and assigns, with respect to such matters, and at such times, as specified below unless expressly waived in writing by FHLBI. Each representation, warranty, and covenant is binding on the Seller regardless of whether the subject matter thereof was under the control of the Seller, an affiliate or subsidiary, or a third party. The representations, warranties, and covenants made in this Master Agreement shall survive delivery of the Mortgages to FHLBI and shall inure to the benefit of FHLBI notwithstanding any examination of the Mortgage documentation by FHLBI. The Seller represents and warrants the following as of the date of this Master Agreement, and as of each Mandatory Delivery Date and Settlement Date under each Mandatory Delivery Contract:

1. Organization and Good Standing. The Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction under which it was organized and is qualified to do business and is properly licensed or registered as a mortgage banker or lender in each jurisdiction in which the Seller does business, or is exempt under applicable law from such qualification or licensing and no demand for such qualification or licensing has been made upon the Seller by any jurisdiction.
2. Authority and Capacity. The Seller has all requisite corporate power, authority, and capacity to enter into each Program Document to which it is a party and to perform the obligations required of it thereunder. Each Program Document (assuming the due authorization and execution by FHLBI) constitutes a valid and legally binding agreement of the Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, receivership, insolvency, moratorium, reorganization and similar laws, and by equitable principles affecting the enforceability of the rights of creditors. No consent, approval, authorization, or order of or registration or filing with, or notice to, any governmental authority or court is required, under state or federal law prior to the execution, delivery, and performance of or compliance by the Seller with this Master Agreement or any other Program Document or the consummation by the Seller of any other transaction contemplated thereby.
3. No Conflict. Neither the execution and delivery of this Master Agreement or any other Program Document nor the consummation of the transactions contemplated by this Master Agreement or any other Program Document nor compliance with the terms and conditions contained herein and therein, shall conflict with or result in the breach of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance of any nature upon the properties or assets of the Seller (except as contemplated by the Program Documents), any of the terms, conditions, or provisions of the Seller's charter or by-laws or any similar corporate documents of the Seller or any mortgage, indenture, deed of trust, loan or credit agreement, or other agreement or instrument to which the Seller is now a party or by which it is bound.
4. Compliance with Laws. There is no action, suit, proceeding, or investigation pending, or to the Seller's knowledge threatened, against the Seller before any court, administrative agency or other tribunal (a) asserting the invalidity of this Master Agreement or other Program Document, (b) seeking to prevent the consummation of any of the transactions contemplated hereby or thereby, or (c) which might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Master Agreement or other Program Document.

5. Performance. The Seller does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Master Agreement or any other Program Document.
 6. Ordinary Course Transaction. The consummation of the transactions contemplated by this Master Agreement or any other Program Document are in the ordinary course of business of the Seller, and the sale, transfer, assignment, and conveyance of Mortgages and the related Servicing rights, by the Seller pursuant to this Master Agreement or other Program Documents are not subject to the bulk transfer laws or any similar statutory provisions in effect in any applicable jurisdiction.
 7. Litigation; Compliance with Laws. There is no litigation, proceeding, or governmental investigation pending, or any order, injunction or decree outstanding that might materially and adversely affect the Mortgages or the related Servicing rights to be sold pursuant to this Master Agreement or any other Program Document. Additionally, there is no litigation, proceeding, or any governmental investigation existing or pending or to the knowledge of the Seller threatened, or any order, injunction, or decree outstanding against or relating to the Seller, that has not been disclosed by the Seller to FHLBI in writing that could have an adverse effect upon the Mortgages or the related Servicing rights to be purchased by FHLBI under this Master Agreement or any other Program Document, nor does the Seller know of any basis for any such litigation, proceeding, or governmental investigation. The Seller has not violated any applicable law, regulation, ordinance, order, injunction, or decree, or any other requirement of any governmental body or court, which may materially and adversely affect the Mortgages or the related Servicing rights to be sold pursuant to this Master Agreement or any other Program Document.
 8. Statements Made. No representation, warranty, or written statement made by the Seller in this Master Agreement or any other Program Document, or in any schedule, written statement, electronic media, or certificate furnished to FHLBI by the Seller in connection with this Master Agreement or any other Program Documents or the transactions contemplated hereunder or thereunder contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.
 9. Approved Seller. The Seller meets all of the eligibility requirements set forth in the Guide, this Master Agreement, and the other Program Documents.
- B. Representations and Warranties Regarding the Mortgages.

With respect to each Mortgage sold by the Seller to FHLBI, the Seller represents and warrants the following as of each Settlement Date under each Mandatory Delivery Contract:

1. Mortgage Characteristics.
 - a. Underwriting. The Seller represents that the Mortgage is underwritten according to FHLBI Underwriting Guidelines, including, but not limited to, FHLBI's Anti-Predatory Lending Policy for Acquired Member Assets.
 - b. Valid First Lien. The Mortgage is a valid, subsisting, enforceable, and perfected first lien on the Mortgaged Property and such Mortgaged Property is owned by the Mortgagor in fee simple.
 - c. Deeds of Trust. In the event the Mortgage constitutes a deed of trust, a trustee, duly qualified under applicable law to serve as such, has been properly designated and currently so serves and is named in the deed of trust, and no fees or expenses are or will become payable by FHLBI to the trustee under the deed of trust, except in connection with a trustee's sale after default by the Mortgagor.

- d. Full Disbursement of Proceeds. The proceeds of the loan to which the Mortgage pertains have been fully disbursed and there is no requirement for future advances of such loan thereunder, and, except as specifically permitted by FHLBI, any and all requirements as to completion of any on-site or off-site improvement and as to disbursements of any escrow funds therefore have been complied with. All costs, fees, and expenses incurred in making or closing of the loan to which the Mortgage pertains and the recording of the Mortgage were paid, and the Mortgagor is not entitled to any refund of any amounts paid or due under the mortgage note or Mortgage.
- e. No Defenses. The Mortgage is not subject to any right of rescission, set-off, counterclaim, or defense, including, without limitation, claims of predatory lending under state or local law, or the defense of usury. Neither will the operation of any of the terms of the Mortgage note or any other document comprising the Mortgage, or the exercise of any right thereunder, render either the Mortgage note or any other document comprising the Mortgage unenforceable, in whole or in part, or subject to any right of rescission, set-off, counterclaim, or defense, including, without limitation, the defense of usury, and no such right of rescission, set-off, counterclaim or defense has been asserted with respect thereto, and no Mortgagor was a debtor in any state or federal bankruptcy or insolvency proceeding at the time the Mortgage was originated.
- f. Payments Current. All payments due on the Mortgage have been made by the related Mortgagor, the Mortgage has not been delinquent (i.e., no payment due from Mortgagor was more than 30 days past due) in the preceding 12 months prior to settlement.
- g. No Defaults. There is no default, breach, violation, or event of acceleration existing under the Mortgage or the Mortgage note or any other Mortgage Document, and no event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation, or event of acceleration, and neither the Seller nor its predecessors have waived any default, breach, violation, or event of acceleration.
- h. No Outstanding Charges. There are no defaults in complying with the terms of the Mortgage, and all taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payments, or ground rents which previously became due and owing have been paid. The Seller has not advanced funds, or induced, solicited, or knowingly received any advance of funds by a party other than the Mortgagor, directly or indirectly, for the payment of any amount required under the Mortgage, except as previously disclosed, and for interest accruing from the date of the Mortgage note or date of the first disbursement of the proceeds of the loan to which the Mortgage pertains, whichever is earlier, to the day which precedes by one month the due date of the first installment of principal and interest.
- i. No Mechanics' Liens. There are no mechanics' or similar liens or claims which have been filed for work, labor, or material (and no rights are outstanding that under the law could give rise to such liens) affecting the Mortgaged Property which are or may be liens prior or equal to, the lien of the Mortgage.
- j. Ownership. Immediately prior to FHLBI's purchase of the Mortgage, the Seller was the sole owner of record and holder of the Mortgage. The Mortgage had not been assigned or pledged, and the Seller had good and marketable title thereto, and had full right to transfer and sell the Mortgage to FHLBI free and clear of any encumbrance, equity, participation interests, lien, pledge, charge, claim, or security interest, and had full right and authority subject to no interest or participation of, or agreement with, any other party, to sell and assign the Mortgage pursuant to this

Master Agreement and on the purchase date FHLBI received good and marketable title to the Mortgage free of any encumbrance, equity, participation interest, lien, pledge, charge, claim, or security interest.

- k. Occupancy of the Mortgaged Property. Except where FHLBI has specifically agreed to the contrary, the Mortgaged Property is lawfully occupied by the Mortgagor under applicable law. All inspections, licenses, and certificates required to be made or issued with respect to all occupied portions of the Mortgaged Property and, with respect to the use and occupancy of the same, including, but not limited to, certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities.
 - l. No Satisfaction of Mortgage. The Mortgage has not been materially modified, satisfied, canceled, subordinated, or rescinded, in whole or in part, and the Mortgaged Property has not been released from the lien of the Mortgage, in whole or in part, nor has any instrument been executed that would effect any such release, cancellation, modification, satisfaction, subordination, or rescission. The Seller has not waived the performance by the Mortgagor of any action, if the Mortgagor's failure to perform such action would cause the Mortgage to be in default resulting from any action or inaction by the Mortgagor.
 - m. No Refinance Agreements. Neither the Seller nor any of the Seller's affiliates have entered into an agreement, formal or informal, with the Mortgagor during the initial origination process of the Mortgage to refinance the Mortgage at some future date as an inducement for the Mortgagor to enter into the original Mortgage transaction.
 - n. No Adverse Selection. The Seller used no adverse selection procedures in selecting the Mortgage from among the outstanding first lien residential Mortgages owned by it which were available for sale to FHLBI.
2. Mortgage Information and Documentation.
- a. Mortgage as Described. The information contained in all commitments, advices, schedules, computer tapes, or other documents or media prepared by the Seller or on behalf of the Seller relating to the Mortgage is complete, true, and correct.
 - b. Documents. The Mortgage note and the other Mortgage Documents are on forms acceptable to FHLBI, and the Seller has not made any representation to the Mortgagor which is inconsistent with such documents. The Mortgage contains customary and enforceable provisions which render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security provided thereby, including, (a) in the case of a Mortgage designated as a deed of trust, by trustee's sale and (b) otherwise, by judicial foreclosure. Upon default by the Mortgagor and foreclosure sale, or trustee's sale of, the Mortgaged Property pursuant to the proper procedures, good and merchantable title to the Mortgaged Property will be deliverable. There is no homestead or other exemption available to the Mortgagor which would interfere with the right to sell the Mortgaged Property at a trustee's sale or the right to foreclosure sale of the Mortgaged Property pursuant to the Mortgage subject to applicable federal and state laws and judicial precedent with respect to bankruptcy and right of redemption. Payments under the Mortgage note that is part of each Mortgage are due on the first day of each calendar month with interest payable in arrears.
 - c. Due on Sale. The Mortgage contains an enforceable provision for the acceleration of the payment of the UPB of the Mortgage in the event that the Mortgaged Property is sold or transferred without the prior written consent of the Mortgagee thereunder; by the terms of the Mortgage note that is part of each Mortgage, however, the provision

for acceleration may not be exercised at the time of a transfer if prohibited by applicable law.

- d. Appraisals. The appraisal obtained in connection with the origination of the Mortgage, as well as the appraiser who performed it, meet all of the applicable FHLBI Underwriting Guidelines. The value of the Mortgaged Property is at least equal to the appraised value stated in the appraisal.
 - e. Original Terms Unmodified. The terms of the Mortgage note and the other Mortgage Documents have not been impaired, waived, altered, or modified in any respect unless specifically agreed upon by FHLBI prior to purchase.
 - f. Validity of Mortgage Documents. The Mortgage note and the other Mortgage Documents and any security agreements, chattel mortgages, or equivalent documents relating to it, are genuine, and each is the legal, valid, and binding obligation of the maker thereof enforceable in accordance with its terms. All parties to the Mortgage note and the other Mortgage Documents and any other related agreement had legal capacity to enter into the Mortgage and to execute and deliver the Mortgage note and the other Mortgage Documents and any other related agreement, and the Mortgage note and the other Mortgage Documents and any other related agreement have been duly and properly executed by such parties. The documents, instruments, and agreements submitted for loan underwriting in connection with obtaining the Mortgage were not falsified and contain no untrue statement of material fact, nor do they omit to state a material fact required to be stated therein or necessary to make the information and statements therein not misleading. No fraud was committed in connection with the origination of the Mortgage.
3. Compliance.
- a. Compliance with Applicable Laws. All laws including, without limitation, usury, truth-in-lending, real estate settlement procedures, predatory lending, consumer credit protection, equal credit opportunity, fair housing and lending disclosure laws applicable to the Mortgage have been complied with.
 - b. Servicing Performance. Prior to the purchase date, the Mortgage has been properly serviced in accordance with all applicable FHLBI Guidelines, the Guide, the terms of the Mortgage, Mortgage note, and related Mortgage Documents. With respect to escrow deposits and Escrow Payments, all such payments are in the possession of the Seller and there exist no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made. All Escrow Payments have been collected in full compliance with all applicable laws. An escrow of funds has been established in an amount sufficient to pay for every item which remains unpaid and which has been assessed but is not yet due and payable. No escrow deposits or Escrow Payments or other charges or payments due the Seller have been capitalized under the Mortgage or the Mortgage note included in the Mortgage.
 - c. Acceptable Investment. The Seller has no knowledge of any circumstances or conditions with respect to the Mortgage note, the Mortgage, the Mortgaged Property, the Mortgagor or the Mortgagor's credit standing that could be expected to cause private institutional investors to regard the Mortgage as an unacceptable investment, cause the Mortgage to become delinquent, or adversely affect the value or marketability of the Mortgage.
 - d. Doing Business. All parties which have had any interest in the Mortgage, whether as mortgagee, assignee, pledge, or otherwise, are (or, during the period in which they held and disposed of such interest, were) (a) in compliance with any and all applicable licensing requirements of the laws of the state wherein the Mortgaged

Property is located and (b) (i) organized under the laws of such state, (ii) qualified to do business in such state, (iii) a federal savings and loan association or national bank having principal offices in such state, or (iv) not doing business in such state.

- e. Underwriting. The Mortgage was underwritten in accordance with the FHLBI Underwriting Guidelines and any underwriting conditions relating to the Mortgage were fully satisfied, and the satisfaction of those underwriting conditions is properly documented in accordance with standard industry practices.
- f. Compliance with Guide and FHLBI Guidelines. The Mortgage and all Mortgage Documents comply, in all material respects, with all applicable terms, conditions and requirements set forth in the Guide, this Master Agreement, the other Program Documents, and the FHLBI Guidelines.

4. Insurance.

- a. Title Insurance. Except for the Properties located in states in which title insurance policies are not customarily issued, the Mortgage is covered by an ALTA form of lender's title insurance policy or other generally acceptable form of policy of insurance acceptable to FHLBI, issued by, and the binding obligation of, a title insurer acceptable to FHLBI and qualified to do business in the jurisdiction where the Mortgaged Property is located, insuring the Seller, its successors and assigns, as to the first priority lien of the Mortgage in the original principal amount of the Mortgage, and against any loss by reason of the invalidity or unenforceability of the lien resulting from any provisions in the Mortgage providing for adjustment in the Mortgage Rate and monthly payment. The Seller, its successors and assigns, is the sole insured of such lender's title insurance policy, and such lender's title insurance policy is in full force and effect and will be in force and effect upon the consummation of the transactions contemplated by this Master Agreement and the transfer of said Mortgage pursuant to the applicable Master Commitment Contract and Mandatory Delivery Contract, and will inure to the benefit of FHLBI without any further act. No claims have been made under such lender's title insurance policy. For Properties located in states where title insurance is not customarily issued, the mortgage file must include an attorney's opinion stating that the Mortgage is a valid first lien.
- b. Hazard and Flood Insurance. The improvements upon the Mortgaged Property are insured against loss by fire and other hazards as required by the FHLBI Guidelines and the Guide, including flood insurance if required under the National Flood Insurance Act of 1968, as amended. The Mortgage requires the Mortgagor to maintain such casualty insurance at the Mortgagor's expense, and upon the Mortgagor's failure to do so, authorizes the holder of the Mortgage to obtain and maintain such insurance at the Mortgagor's expense and to seek reimbursement therefore from the Mortgagor. The hazard insurance policy is the valid and binding obligation of the insurer, and is in full force and effect. All flood insurance and hazard insurance premiums have been paid when due.
- c. Coverage of Insurance. No action, inaction, or event has occurred and no state of facts exists or has existed that has resulted or will result in the exclusion from, denial of, or defense to coverage under any applicable insurance policy or guarantee including, but not limited to, a title insurance policy, a hazard insurance policy, or mortgage insurance coverage, obtained in connection with the Mortgage. In connection with the placement of any such insurance or guarantee, no commission, fee, other unlawful compensation or value of any kind has been or will be received by the Seller or any designee of the Seller or any corporation in which the Seller or any officer, director, or employee of the Seller had a financial interest at the time of placement of such insurance and, to the best of Seller's knowledge, no such, fee,

other unlawful compensation, or value of any kind has been received by any attorney, firm, or other person or entity.

- d. Private Mortgage Insurance. All Mortgages over 80% loan-to-value will be insured with private mortgage insurance at the time of origination, in accordance with the FHLBI Underwriting Guidelines, and all insurance premiums due on or before the purchase date shall be paid in full.

5. Mortgaged Property.

- a. No Additional Collateral. The Mortgage note included with the Mortgage is not and has not been secured by any collateral except the collateral subject to the lien of the corresponding Mortgage.
- b. Location of Improvements. All improvements which were considered in determining the appraised value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of the Mortgaged Property, or the policy of title insurance affirmatively insures against loss or damage by reason of any violation, variation, encroachment, or adverse circumstance which is either disclosed or would have been disclosed by an accurate survey. No improvement located on or being part of the Mortgaged Property is in violation of any applicable zoning law or regulation.
- c. Environmental Matters. There is no action or proceeding pending, or to the best of the Seller's knowledge, threatened, involving the Mortgaged Property in which compliance with any environmental law, rule, or regulation is an issue. Nothing further remains to be done to satisfy in full all requirements of each applicable environmental law, rule, or regulation which is a prerequisite to use and enjoyment of the Mortgaged Property. Notwithstanding the foregoing, this warranty shall be deemed not to have been made if a title policy or other insurance acceptable to FHLBI affording, in substance, the same protection to FHLBI is furnished to FHLBI by the Seller.
- d. No Encroachments. No improvements on adjoining properties encroach upon the Mortgaged Property in any respect so as to affect the value or marketability of the Mortgage or the Mortgaged Property.
- e. No Condemnation and Mortgaged Property Undamaged. There is no proceeding pending or threatened for the total or partial condemnation of the Mortgaged Property. The Mortgaged Property is undamaged by waste, fire, earthquake or earth movement, windstorm, flood, tornado or other casualty so as to affect adversely the value of the Mortgaged Property as security for the Mortgage or the use for which the premises were intended.
- f. Detrimental Conditions. As of the origination date and the purchase date of the Mortgage, the Seller did not know, nor did the Seller have any reason to know, that the Mortgaged Property and the improvements constructed thereon were subject to any detrimental conditions which could reasonably be expected to adversely affect the market value of the Mortgaged Property. The term "detrimental conditions" includes, but is not limited to, expansive soils, underground mines, soil subsidence, landfills, superfund sites, special study zones, and other conditions which affect the stability of the improvements erected on the Mortgaged Property or the drainage on or from the Mortgaged Property.
- g. Location and Type of Mortgaged Property. The Mortgaged Property consists of an owner-occupied single parcel of real property with a detached single family residence erected thereon, or a one- to four-family dwelling or an individual condominium unit in a condominium project, or a planned unit development.. No portion of the Mortgaged Property is used for commercial purposes.

C. Covenants Regarding Servicing.

1. General Covenants. The Seller, without limitation, and in addition to any other covenants made in the Guide, the Master Agreement, and other Program Documents, with respect to Mortgages sold to FHLBI, covenants the following:
 - a. Documents. All information contained in any form or communication sent or given to FHLBI or its agents by or on behalf of the Seller shall be true, correct, and complete.
 - b. Inspection of Records. The Seller shall permit FHLBI or its agents during normal business hours to inspect all books and records of the Seller pertaining to its mortgage lending operations, any Mortgage purchased by FHLBI from the Seller, or any Mortgage Serviced by the Seller on behalf of FHLBI, or such servicing as has been transferred to a subservicer in accordance with the Guide and Program Documents.
 - c. Credit Information. With respect to each Mortgage offered for sale to FHLBI by the Seller, the Seller has full right and authority and is not precluded by law or contract from furnishing FHLBI with the applicable consumer report (as defined in the Fair Credit Reporting Act, Public Law 91-508) and all other credit information relating to such Mortgage. FHLBI agrees to keep the above described materials confidential as it relates to the servicing of each Mortgage. The foregoing shall not be construed to impose any obligation on FHLBI, or any of FHLBI's assignees of any Mortgage, to comply with the Fair Credit Reporting Act or any similar laws.
2. Servicing Covenants. With respect to each Mortgage Serviced by the Seller or an approved third party Servicer on behalf of FHLBI:
 - a. Servicing of the Mortgages. The Seller shall Service the Mortgage in accordance with (a) all applicable FHLBI Guidelines, (b) the terms of the Mortgage, including the related Mortgage note and related Mortgage Documents, and (c) the Guide, this Master Agreement, and other Program Documents. Without limiting the foregoing, all escrow practices, as well as all Mortgage payments, will be made in full compliance with all applicable FHLBI Guidelines, and the terms of the Mortgage, including the related Mortgage note and related Mortgage Documents.
 - b. Compliance by Others. In the event that any third party performs any of the Seller's obligations to the extent permitted by the Guide and Program Documents, the performance of such obligations shall be in full compliance with the Guide, this Master Agreement, and the Program Documents.
 - c. Normal Servicing Procedures Applied. The Seller shall exercise the same degree of care in servicing the Mortgages as it exercises in connection with its overall servicing portfolio, but in no event less than the degree of care which would be exercised by a prudent mortgage servicer servicing mortgages for its own account.
 - d. Custodial Accounts. The Custodial Accounts established pursuant to the Guide shall at all times be demand accounts, shall not be pledged or encumbered in any manner, and shall otherwise meet all of the requirements of the Guide. The Servicer must certify that it is complying with the Guide, and any laws, regulations, and contracts related to the Mortgagor's Custodial Accounts or other collateral accounts (including those that require the Seller to pay interest on Mortgagor's Custodial Accounts). Some jurisdictions require that interest be paid on the funds in the Mortgagor's Custodial Account. In the event that these requirements apply, the Servicer must pay the interest.
 - e. Suspension or Disqualification. The Seller shall immediately notify FHLBI in writing by certified mail or reputable overnight delivery service if its servicing rights are

suspended or terminated by any institution including, but not limited to, HUD, Fannie Mae, Freddie Mac, or GNMA.

- f. Discovery of Fraud. In the event that the Seller discovers or has reasonable grounds to suspect that fraud was committed in connection with the origination of a Mortgage, the Seller shall immediately notify FHLBI in writing of such discovery. Upon FHLBI's receipt of such notice, or FHLBI's independent discovery or reasonable suspicion of fraud in connection with the origination of a Mortgage, FHLBI may, in its sole and absolute discretion, report such fraud to investors, agencies, mortgage industry clearing houses, and any other third parties FHLBI believes have an interest in the fraud.
- g. Failure to Properly Foreclose or Liquidate. In the event that a Mortgage is in default and the Seller is required or has decided to seek foreclosure sale of the Mortgaged Property or liquidate the Mortgage, the Seller must take prompt and diligent action consistent with FHLBI Guidelines and the Guide to seek such sale or otherwise appropriately liquidate such Mortgage and to perform all incident actions.
- h. Failure to Properly Manage, Dispose of, or Effect Proper Conveyance of Title. In the event that any foreclosure sale of the Mortgaged Property subject to any Mortgage Serviced under this Master Agreement occurs or the possession or title to the property has been taken by FHLBI or on FHLBI's behalf, the Seller must properly manage, dispose of, or effect proper conveyance of title to the Mortgaged Property in accordance with FHLBI Guidelines and the Guide.

D. Consequences of Untrue Warranties.

FHLBI may require the Seller to repurchase a Mortgage sold to FHLBI if any representation or warranty made by the Seller about the Mortgage is untrue (whether the representation or warranty is in this Master Agreement or other Program Document). FHLBI may require repurchase whether or not the Seller had actual knowledge of the untruth. FHLBI may also enforce any other available remedy. The Seller must pay FHLBI as provided in the Guide. In addition, untrue representations or warranties may be treated as a breach of contract that could result in the withdrawal of FHLBI approval of a Seller and the termination of this Master Agreement or any other Program Document.

E. Indemnification.

The Seller shall indemnify FHLBI against, and hold FHLBI harmless from, all costs arising out of any breach of a representation, warranty, or covenant made by the Seller under this Master Agreement, the Guide, or any Program Documents, or any breach or violation of FHLBI Guidelines. The foregoing indemnification shall include any costs incurred by FHLBI in connection with enforcing its rights under the Master Agreement, the Guide, any Program Documents, or any breach or violation of FHLBI Guidelines, or defending against any claim, demand, or assertion against FHLBI by a third party arising out of a breach of a representation, warranty, or covenant made by the Seller in this Master Agreement, the Guide, or any Program Documents. The Seller's indemnification pursuant to this section shall survive the purchase and delivery of the Mortgages, their liquidation or repurchase, and any suspension or termination of the Seller's selling privileges or the termination of this Master Agreement or any other Program Documents.

F. Offset.

FHLBI may offset against the Purchase Proceeds for any Mortgage delivered for purchase by the Seller, or against any other amounts owed by FHLBI to the Seller pursuant to the Program Documents or any other contract or instrument between FHLBI and Seller, any outstanding amounts owed to FHLBI by the Seller or any affiliate of the Seller including, but not limited to the following.

- (1) Fees, penalties, and expenses arising out of the Seller's failure to timely deliver any documentation.
- (2) Pair-off Fees, penalties, or charges relating to delivered or undelivered Mortgages.
- (3) Costs and expenses arising out of the Seller's breach of any of its representations, warranties, or covenants under the Program Documents.
- (4) Costs and expenses incurred by FHLBI as a result of action taken by FHLBI based on FHLBI's reasonable belief that the Seller is no longer able to fulfill its obligations under this Master Agreement or other Program Documents, including its repurchase and indemnification obligations.

G. Transfer, Suspension, or Termination of Selling and Servicing Rights.

1. Voluntary Transfer of Servicing Rights. The Seller, with prior approval from FHLBI, may transfer its Servicing rights to an assignee Servicer. An assignee Servicer must comply with all Eligibility Requirements in Chapter 2 of the Guide, except that the third party Servicer does not need to be a Member. Assignee Servicers, once approved, must comply with FHLBI Guidelines, the Guide, this Master Agreement and applicable Program Documents. The assignment of Servicing should be documented by a separate contract between the Seller and the assignee servicer, which provides for a transfer of the Servicing of the Mortgages and provides that by accepting an assignment of Servicing, the assignee Servicer agrees to Service the Mortgages in accordance with FHLBI Guidelines and applicable Program Documents, and assumes all contractual obligations related to the Mortgages, including selling warranties and other liabilities that arise in connection with the origination of the Mortgages or the Servicing of the Mortgages prior to the assignment. An assignment of Servicing does not release the Seller from any liabilities to FHLBI with respect to the Mortgages or the Servicing of them prior to the assignment of Servicing. Both the Seller and the assignee Servicer will be jointly and severally liable to FHLBI for the obligations and liabilities related to the assigned Mortgages.
2. Suspension or Termination of Selling Rights. FHLBI may, in its sole and absolute discretion, suspend or terminate the Seller's selling rights for any reason including, but not limited to, the Seller's failure to perform any of its obligations under the FHLBI Guidelines, this Master Agreement, the Guide, or the other Program Documents.

Unless otherwise specified by FHLBI, FHLBI shall purchase Mortgages under Mandatory Delivery Contracts outstanding at the time of termination or suspension. FHLBI shall, in its sole and absolute discretion, determine the duration of any period of suspension and shall prescribe the terms and conditions for reinstatement.

3. Termination of Servicing Rights.
 - a. Termination of Servicing Rights for Cause. FHLBI may declare a termination of the Seller's Servicing rights if the Seller fails to perform any of its obligations or meet any requirements under FHLBI Guidelines, this Master Agreement, the Guide, and all Program Documents.

If FHLBI declares a termination of servicing rights for any of the reasons set forth above, no compensation will be paid to the Seller and such Servicing rights shall immediately terminate and vest in FHLBI without further action by any party.

In the event of a termination, the Seller shall promptly deliver all documents, files, records (including computerized records), and moneys (i.e., Custodial Accounts) to an FHLBI-approved designee chosen by FHLBI.
 - b. Termination without Cause. FHLBI may declare a termination of the Seller's Servicing rights for any reason, at its sole discretion, and compensation will be paid

to the Seller and such Servicing rights shall immediately terminate and vest in FHLBI without further action by any party. FHLBI will notify the Seller in writing in the event that FHLBI elects to terminate the Seller's Servicing rights without cause. Within 60 days of its receipt of such notification, the Seller shall sell FHLBI's Servicing portfolio to a FHLBI-approved Servicer. FHLBI's written approval of the transaction must be obtained before the transfer. The Seller is responsible for all costs incurred in connection with the transfer and may retain any fees arising out of the transaction.

If the Seller does not arrange a voluntary transfer of the Servicing rights within the period prescribed above, FHLBI and the Seller will mutually determine the current fair market value of the Servicing rights being terminated and FHLBI will purchase the Servicing rights, or cause the Servicing rights to be purchased, for such amount.

If FHLBI and the Seller cannot agree on a fair market value of the Servicing rights, then each one will select an unaffiliated, nationally recognized servicing broker, and those two brokers will independently estimate the current fair market value of the Servicing rights. The average of the estimates provided by the brokers will be used as the current fair market value. FHLBI and the Seller will be responsible for the respective cost of the broker's valuation solicited by such party.

In the event of a termination of Servicing rights without cause, the Seller shall promptly deliver all Mortgage Documents, file records (including computerized records), and moneys (i.e., Custodial Accounts) (a) to an FHLBI-approved Servicer to whom the Seller has transferred the Servicing rights, if such a transfer has occurred within the prescribed time period or (b) to FHLBI or its designee, if the Servicing rights have not been transferred by the Seller within the prescribed time period.

- c. Survival of Liability. No suspension of the Seller's selling rights, or termination of the Seller's selling or Servicing rights, shall release the Seller from any of its obligations under this Master Agreement or the Guide or from any liability arising under this Master Agreement, the Guide, or any other Program Document.

H. Remedies Cumulative.

All rights and remedies of FHLBI under this Master Agreement, the other Program Documents, and the Guide are in addition to all other rights and remedies available to FHLBI at law or in equity. FHLBI may exercise its rights and remedies concurrently, independently, or in succession and all such rights and remedies shall inure to the benefit of FHLBI, its successors, and/or assigns. The failure of FHLBI to exercise any of its remedies under this Master Agreement or the Guide with respect to a breach or default of the Seller does not constitute a waiver of such remedy with respect to such breach or default or any subsequent breach or default.

I. Scope of Duties.

The Seller will diligently perform all duties that are necessary or incident to the Servicing of all Mortgages it is Servicing for FHLBI on the date this Master Agreement takes effect, and other Mortgages that the Seller is required to Service by the terms of this Master Agreement or any other existing or future agreement between FHLBI and the Seller.

J. Service at Seller's Own Expense.

The cost of Servicing will be the Seller's expense.

K. Service until Need Ends.

The Seller must service each Mortgage continuously for as long as FHLBI owns the Mortgage, starting from the date its Servicing duties begin until the Mortgage's principal and interest have been paid in full, the Mortgage has been liquidated and the Mortgaged Property

properly disposed of (if the Seller is required to do these things), the Seller's Servicing duties are terminated, or the Seller transfers Servicing in accordance with the Guide and this Master Agreement.

L. Compensation.

The Seller's compensation for Servicing Mortgages, including the management and disposal of Properties, under this Master Agreement is specified in the Mandatory Delivery Contract Confirmation and the Master Commitment.

M. Ownership of Records.

All Mortgage records required by FHLBI Guidelines or the Guide to document or properly Service any Mortgage owned by FHLBI in its entirety are FHLBI property at all times. This is true whether or not the Seller developed or originated them. The following are considered Mortgage records: all Mortgage Documents, tax receipts, insurance policies, insurance premium receipts, ledger sheets, payment records, insurance claim files and correspondence, foreclosure files and correspondence, current and historical data files, and all other papers and records.

N. Seller as Document Custodian.

The Mortgage records belong to FHLBI. The Seller can have possession of the Mortgage records only with FHLBI approval and if the Seller is acting as FHLBI's Document Custodian under a Custodial Agreement. This is true whether the Seller receives the Mortgage records from an outside source or prepares them itself.

O. Delivery.

When asked in writing by FHLBI, the Seller will deliver Mortgage Documents to FHLBI or FHLBI's designee. The Seller must also send a list that identifies each Mortgage, and must give other information requested to identify the Mortgages so delivered. FHLBI will not be required to sign or deliver any trust receipts before the Seller delivers the Mortgage Documents requested. If FHLBI asks the Seller in writing for reproductions of any Mortgage records the Seller microfilmed, condensed, or otherwise stored in any form of electronic media, the Seller will reproduce them promptly at no cost to FHLBI or the party to whom FHLBI wants them delivered.

IV. ASSIGNMENT.

The Seller may not, without prior written approval from FHLBI, assign this Master Agreement under any circumstances, either voluntarily or involuntarily, by operation of law, or otherwise, or delegate its responsibility for Servicing individual Mortgages owned by FHLBI.

V. NOTICE.

Any notice given under this Master Agreement must be in writing, delivered in person or sent by registered or certified mail, with a return receipt requested, or reputable overnight delivery service, and addressed to the party to which notice is being given. Delivery and notice is given when FHLBI or the Seller mail or register the notice with any post office.

VI. ADDRESS.

The addresses of the parties are those listed below. Any change of address must be given in writing.

VII. PRIOR AGREEMENTS.

This Master Agreement supersedes any prior agreements between the Seller and FHLBI that govern selling or servicing of Mortgages and to which this Master Agreement relates, except the Guide and the other Program Documents. In the event of conflict between this Master Agreement, the Guide, and the other Program Documents, the Guide shall control. This section will not release the Seller from any responsibility or liability under any prior agreements and understandings.

VIII. SEVERABILITY AND ENFORCEMENT.

If any provision of this Master Agreement conflicts with applicable law, the other provisions of this Master Agreement that can be carried out without the conflicting provision will not be affected. All rights and remedies under this Master Agreement are distinct and cumulative not only as to each other but as to any rights or remedies afforded by law or equity. They may be exercised together, separately, or successively. These rights and remedies are for FHLBI's benefit and its successors and assigns.

IX. FHLBI CAPITAL STOCK PURCHASE REQUIREMENT.

The Seller understands and acknowledges that it must purchase class B stock of the FHLBI in the percentage amount that is currently in effect on the date of the execution of each Mandatory Delivery Contract under the FHLBI's Capital Plan for each such contract. Any excess class B stock held by the Seller on the settlement date of each Mandatory Delivery Contract shall be applied against this purchase requirement and then the Seller shall purchase additional class B stock, if necessary, to meet the purchase requirement. Unless otherwise agreed, payment for such stock shall be made by crediting the total proceeds to be paid the Seller on each Mandatory Delivery Contract to the Seller's CMS account and then deducting the amount needed to pay for the stock.

X. CAPTIONS.

This Master Agreement's captions and headings are for convenience only and are not part of the Master Agreement.

XI. FINANCING STATEMENTS.

By executing this Master Agreement, the Seller authorizes FHLBI to file financing statements or continuation statements from time to time describing Mortgages sold pursuant to this Master Agreement and the applicable Master Commitment Contracts without the signature of the Seller.

XII. SIGNATURES AND DATE.

By executing this Master Agreement, the Seller and FHLBI agree to all of this Master Agreement's terms and provisions. This Master Agreement takes effect on the date first appearing above.

Seller Name and Address:

The Sample Bank

123 Apple Street

Indianapolis IN 46240

By: _____

Title: _____

Federal Home Loan Bank of Indianapolis
8250 Woodfield Crossing Blvd.
Indianapolis, IN 46240

By: _____

Title: _____

By: _____

Title: _____