PURCHASE AND SALE AGREEMENT (the "Agreement") dated _____ between Strategic Municipal Investments, LLC ("SMI"), a Florida limited liability company, and Crusader Servicing Corporation as Custodian (herein collectively, the "Seller"), a Pennsylvania Corporation and _____, organized and existing under the laws of the State of _____ as the purchaser of the Liens, and _____, organized and existing under the laws of the State of _____ as the purchaser of the REO Property (together, the "Purchaser").

**W I T N E S S E T H:**

WHEREAS, Seller has heretofore caused to be prepared and distributed to potential bidders and others a Bidder's Information Package, a copy of which is attached hereto as Exhibit A (the "Notice of Sale"), requesting bids for the purchase of the Tax Certificate and REO Portfolio (as hereinafter defined); and

WHEREAS, Seller has heretofore also caused to be prepared and distributed to potential bidders and others: (i) a form of this Agreement, and (ii) other items constituting part of the Bid Package (as hereinafter defined); and

WHEREAS, several bids were received in response to the Notice of Sale and, following an evaluation of all such bids, and other matters deemed relevant, the Seller has determined that the Purchaser was the "highest acceptable bidder"; and

WHEREAS, pursuant to the written authorization of a majority of the members of SMI, Seller has heretofore determined to accept the bid of the Purchaser (the "Winning Bid"); and

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the Seller and the Purchaser hereby agree as follows:

## ARTICLE I

## DEFINITIONS

**Section 1.01. Definitions**. The following definitions shall apply to and are used in this Agreement:

"Agreement" means this agreement between the Seller and the Purchaser.

"Assessed Owner" means the person identified in the assessor's tax duplicate as of the Cut-Off Date or as shown on the records delivered hereunder.

"Bid Package" means the information prepared and distributed at the direction of Seller to potential bidders and others, which shall consist of:

a. Bid Check List;
b. Official Bid Form;
c. Commitment Letter;
d. Winning Bidder Deposit Escrow Agreement;
e. Form of Purchase and Sale Agreement (with the entity names, amounts for purchase, etc., left blank);

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banking institutions in the City of New York, New York are authorized by law or executive order to be closed.

"Closing Date" means October 6, 2008, or such other date as may be mutually agreed upon by the Purchaser and the Seller.

"Current Tax Delinquency" means, as of the date of calculation, the amount of property taxes that are delinquent with respect each Tax Sale Certificate and REO Property included in the Tax Certificate Portfolio.

"Cut-Off Date" means September 8, 2008.

"Delinquent Properties" means those properties upon which a Current Tax Delinquency exists.

"Financial Information" means the financial and statistical information as adjusted for financial transactions that occur between the Cut-Off Date and the Closing Date which was either provided to the Purchaser in writing on or prior to the Closing Date.

"Highest Bidder" means the bidder whose bid proposal contains the highest Tax Certificate Portfolio Bid.

"Law" means all statutes, rules, regulations, ordinances, orders or decrees of any federal or state government or political subdivision, agency or public official thereof.

"Lien" means, as applied to the property or assets (or the rents, revenues, income, profits or proceeds therefrom) of any Person, and in each case, whether the same is consensual or nonconsensual or arises by contract, operation of Law, legal process or otherwise: (a) any mortgage, lien, pledge, attachment, charge, lease evidencing a capitalizable lease obligation, conditional sale or other title retention agreement, or other security interest or encumbrance of any kind in respect of any property of such Person, or upon the rents, revenues, income, profits or proceeds therefrom; or (b) any arrangement, express or implied, under which any property of such Person is transferred, sequestered or otherwise identified for the purpose of subjecting or making available the same for the payment of debt or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person.

"Notice of Sale" means the Notice of Sale, dated August 1, 2008, a copy of which is attached hereto as Exhibit A.

"Other Municipal Charges" means all municipal liens and municipal charges (not constituting taxes) collectible by the Seller, Servicer or Sub-servicer which, if unpaid, are enforceable by the Seller, Servicer or Sub-servicer pursuant to applicable Law through the issuance of a tax sale certificate, including, without limitation, all special assessments, water and sewer connection fees and user charges, costs of building demolition and repair, lot clearance, nuisance abatement, ordinance enforcement, removal of snow, ice, grass, weeds, brush and hedges, and all other similar charges, including interest and penalties thereon, but shall not include taxes levied upon real estate and personal property (whether for municipal, county, school, fire, open space, library or other purposes).

"Parties to Transaction" means Strategic Municipal Investments, LLC and Crusader Servicing Corporation or CSC as Custodian (the Seller), _____ (the Lien Purchaser) and _____ (the REO Purchaser).

"Person" means any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust (including any beneficiary thereof), unincorporated organization or government or any agency or political subdivision thereof.

"Prior Taxes" mean all taxes heretofore levied against the REO Property and the real properties subject to the Tax Sale Certificates included in the Tax Certificate Portfolio, whether for municipal, county, school, fire, open space, library, special improvement district or other purposes, including interest and penalties thereon, but not including Other Municipal Charges.

"Property" means, as the context shall require, any REO Property and the underlying property encumbered by the Tax Sale Certificates encompassed in the Tax Certificate Portfolio.

"Purchase Price" means the sum stated in the Tax Certificate Portfolio Bid less amounts held by the Seller in escrow which represent redemption proceeds received by the Seller since the Cut-Off Date that relate to the Tax Sale Certificates identified in the Bid Package.

"Purchaser" means _____, an entity organized and existing under the laws of the State of _____, together with any successors or assigns as the purchaser of the Liens and _____, an entity organized and existing under the laws of the State of _____, together with any successors or assigns as the purchaser of the REO Property.

"REO Property" means all real property in which title has been acquired on behalf of the Seller through foreclosure or otherwise.

"Seller" means Strategic Municipal Investments, LLC, Crusader Servicing Corporation, as Custodian and CSC as Custodian for Strategic Municipal Investments, LLC.

"Tax Collections" mean, as of the Cut-Off Date, that amount of money relating to a portion of the Tax Certificate Portfolio received by the Tax Collector of any municipality where REO Property or other property that is subject to a Tax Sale Certificate encompassed in the Tax Certificate Portfolio, net of any refunds thereof which have theretofore been made with respect thereto by any Person.

"Tax Collector" means the Tax Collector and/or such other officer or official of any municipality involving REO Property or Tax Sale Certificates included in the Tax Certificate Portfolio, who is charged with the performance of the duties of the "municipal tax collector" pursuant to applicable Law.

"Tax Sale Certificate" means any of the originally issued Tax Sale Certificates or replacement Tax Sale Certificates that are deemed originals and accompanied by an affidavit of lost certificate, evidencing ownership of a lien for unpaid real estate taxes and/or other municipal liens or charges which are bundled in the Tax Certificate Portfolio.

"Tax Sale Certificate Number" means, with respect to any Tax Sale Certificate, the number appearing on the face thereof, which identifies the municipal lien, or in the absence of a certificate number appearing on the face of the certificate or in the instances where no certificate is issued by the Tax Collector, Tax Sale Certificate Number shall mean the number assigned to the Tax Sale Certificate by Seller as reflected on Exhibit B ("Assets of Tax Certificate Portfolio").

"Tax Certificate Portfolio" means the REO Property and the tax sale certificates which are identified in the list attached hereto as Exhibit B ("Assets of Tax Certificate Portfolio"), as adjusted as of the Cut-Off Date.

"Tax Certificate Portfolio Bid" means the bid amount of $_____, which is set forth in the Official Bid Form submitted by Purchaser with its Bid Package.

"Winning Bid" means the bid of the Purchaser, as approved by Members of SMI and awarded by Seller upon written notification to Winning Bidder dated _____.

"Winning Bidder" means the bidder awarded the right to purchase the Tax Certificate Portfolio pursuant to this Agreement.

**Section 1.02. Rules of Construction.** Whenever the context may require, any pronoun that is used in this Agreement shall include the corresponding masculine, feminine and neuter forms, and the singular shall include the plural and vice versa. Unless otherwise noted, the words "include," "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation". The words "agree," "agreements," "approval" and "consent" when used in this Agreement shall be deemed to be followed by the phrase "which shall not be unreasonably withheld or unduly delayed," except or unless the context may otherwise specify. All references to Sections or Articles shall refer to the applicable Section or Article of this Agreement.

## ARTICLE II

## PURCHASE AND SALE OF TAX CERTIFICATE PORTFOLIO

**Section 2.01. Sale of Tax Certificate Portfolio**. Simultaneously with the execution of this Agreement, Seller does hereby sell the Tax Certificate Portfolio to the Purchaser, in accordance with the provisions of this Agreement.

**Section 2.02. Purchase Price; Interest Rate for Nonpayment by Purchaser**. (a) In consideration for the sale of the Tax Certificate Portfolio by the Seller, the Purchaser shall pay the Purchase Price to the Seller. The Purchase Price shall be paid by the Purchaser in immediately available funds on the Closing Date, by wire transfer in accordance with the wiring instructions set forth in Exhibit C.

(b) If, for any reason, the Purchase Price is not paid in full on the Closing Date, then such unpaid amount shall accrue interest from the Closing Date at the rate of 12% per annum, until satisfied.

**Section 2.03. Certification of Seller.** (a) The Seller shall within five (5) Business Days prior to the Closing Date, deliver a certification (the "Seller Certification") to the Purchaser, which certification shall specify to the best of Seller's information and knowledge the following information (which may be in one or more documents, collectively setting forth all of the information, which will be based on Seller's best knowledge and information):

(i) list all REO Property and Tax Sale Certificates contained in the Tax Certificate Portfolio;

(ii) the amount of any and all Tax Collections made on any REO Property and Tax Sale Certificate;

(b) Upon receipt of the Seller Certification, the Purchaser shall be obligated to pay the Purchase Price on the Closing Date in accordance with Section 2.02(a).

**Section 2.04. Entitlement to Current Tax Delinquencies**. (a) Notwithstanding the payment of the Purchase Price by the Purchaser, amounts in respect of the Current Tax Delinquencies contained in the Tax Certificate Portfolio shall remain owing and payable to the Tax Collector by the respective Assessed Owners of such Delinquent Properties. Seller and Purchaser hereby agree that after the Closing Date, Seller (and its agents) shall have no obligation or responsibility regarding the collection and enforcement of any Current Tax Delinquency. It shall be the responsibility of Purchaser to determine the outstanding amount of any taxes, charges, fees, interests and penalties due to a municipality or third party lienholder.

(b) With respect to each Delinquent Property contained in the Tax Certificate Portfolio, it is the responsibility of the Tax Collector to maintain records indicating the dates on

which any payments in respect of such Delinquent Properties are made. Therefore, on and after the date of the Seller Certification, the Seller shall have no obligation regarding any assessment, charge, penalty, interest or change relating to any Delinquent Property.

**Section 2.05. Issuance of Tax Sale Certificates; TSC Amount**. (a) If the Tax Certificate Portfolio contains any Current Tax Delinquencies, then the Purchaser shall make arrangements for all notices to be made to the Tax Collector. Such notices shall advise the Tax Collector that Seller no longer has any interests in the respective Tax Sale Certificates or REO Property and that the same are no longer being serviced by Seller or its agents. Such notices shall also include copies of the recorded assignments. Any cost borne by the Purchaser in connection with the provision of such notices shall be the responsibility of and shall be paid by the Purchaser; and provided however, that the Purchaser shall indemnify and hold harmless the Seller from and against any and all claims, losses, liabilities, obligations, damages, penalties, actions, suits, or out-of-pocket expenses or costs of any kind incurred or imposed in connection with the provision of such notices.

(i) The Seller hereby agrees that it will issue and sell to the Purchaser on the Closing Date, and the Purchaser hereby agrees that it will accept from the Seller on the Closing Date, the Tax Certificate Portfolio. In no event will this change the amount of the Purchase Price required to be paid by the Purchaser. In consideration for the assignment or transfer of the Tax Certificate Portfolio by the Seller, the Purchaser shall pay to the Seller the Purchase Price.

(ii) The Purchase Price shall be paid by the Purchaser in immediately available funds of the Purchaser on the Closing Date, by wire transfer in accordance with the wiring instructions set forth on Exhibit C.

(b) As a further condition to the sale of the Tax Certificate Portfolio, the Purchaser shall pay to the Seller on or prior to the Closing Date, the entire Purchase Price, including any interest thereon as provided in Section 2.02(b). Failure by the Purchaser to make the aforementioned payment by or on the Closing Date for any reason whatsoever (other than a default by the Seller pursuant to Section 4.01) shall result in a forfeiture of the Purchase Price (to the extent it or any portion thereof has been paid), a cancellation of the sale of all Tax Sale Certificates and REO Property to the Purchaser and a termination of the Seller's obligation under this Agreement to assign or transfer any Tax Sale Certificates or REO Property to the Purchaser.

**Section 2.06. Principal Amount of Tax Sale Certificates and REO Property; Liability**. (a) The principal amount of any Tax Sale Certificate assigned or transferred to the Purchaser or REO Property conveyed on or after the Closing Date shall be (i) the Current Tax Delinquency as of the Closing Date, plus (ii) the unpaid interest and penalties on the Current Tax Delinquency.

(b) Upon the sale of the Tax Certificate Portfolio, the Seller shall have no further interest and shall no longer be liable for any claim, demand, loss, penalty, fine, forfeiture, judgment and other costs, fees and expenses arising out of action or inaction occurring after the sale of the Tax

Certificate Portfolio with respect to any Tax Sale Certificate or REO Property assigned or transferred as a result of this transaction. Seller remains liable for any claim, demand, loss, penalty, fine, forfeiture, judgment and other costs, fees and expenses arising out of action or inaction occurring prior to the sale of the Tax Certificate Portfolio with respect to any Tax Sale Certificate or REO Property assigned or transferred as a result of this transaction. **PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ANY OF ITS AGENTS AND ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED PURCHASER OF TAX SALE CERTIFICATES AND REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS IN PURCHASING THE TAX CERTIFICATE PORTFOLIO. PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE TAX CERTIFICATE PORTFOLIO AS PURCHASER DEEMS NECESSARY. PURCHASER ACKNOWLEDGES AND AGREES THAT ON THE CLOSING DATE, SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PORTFOLIO "AS IS, WHERE IS," WITH ALL FAULTS WITHOUT RECOURSE TO SELLER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS BY SELLER OR ANY OF ITS AGENTS THAT ARE COLLATERAL TO OR AFFECTING THE TAX CERTIFICATE PORTFOLIO. THE TERMS AND CONDITIONS OF THIS SECTION SHALL EXPRESSLY SURVIVE THE CLOSING, NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENTS AND SHALL BE INCORPORATED INTO THE DEED WITH REFERENCE TO ANY REO PROPERTY. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO ANY TAX SALE CERTIFICATE OR REO PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN. PURCHASER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS THE "AS IS" NATURE OF THIS SALE AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH ANY PROPERTY. PURCHASER HAS FULLY REVIEWED WITH ITS COUNSEL THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF.**

**Section 2.07. Purchaser's Enforcement Rights**. Seller makes no representation regarding Purchaser's right or ability to enforce or foreclose the right to redeem any Tax Sale Certificate, in personam or otherwise. Any such rights shall be subject to any and all applicable federal, state and local laws and regulations.

**Section 2.08. Limited Warranty and Recourse.**

(a) Limited Warranty. Seller represents and warrants that Seller has removed from the Tax Sale Certificate Portfolio all Tax Sale Certificates and REO Property known to Seller, prior to the Cut-off Date, to be: (i) involved in Bankruptcy proceedings; and (ii) involved in litigation which in known to Seller to result in the extinguishing or forfeiture of the Seller's right to collect the principal amount of the Tax Sale Certificate (other than Quiet Title Actions and Foreclosure Actions); and (iii) expired; and (iv) foreclosed-out. This warranty shall survive closing for a period of sixty (60) days after the Closing Date ("Limited Warranty Period"). Upon the expiration of the Limited Warranty Period, sixty-one (61) days after the Closing Date, the Seller shall have no further liability to the Purchaser.

(b) Limited Recourse. Purchaser's sole and exclusive remedy and recourse against Seller for breach of the Limited Warranty contained in Section 2.08(a) shall be governed by Section 2.08(b). If, during the Limited Warranty Period, the Purchaser discovers that any Tax Sale Certificate or REO Property was (i) involved in Bankruptcy proceedings on the Cut-off Date or was (ii) involved in litigation, on the Cut-off Date, which litigation may result in the extinguishing or forfeiture of the Seller's right to collect the principal amount of the Tax Sale Certificate (other than Quiet Title Actions and Foreclosure Actions) or was (iii) expired prior to the Cut-off Date, or was (iv) foreclosed-out prior to the Cut-off Date, and Purchaser notifies Seller in writing prior to the expiration of the Limited Warranty Period, providing to Seller documentation satisfactory to Seller demonstrating the breach of the Limited Warranty, Seller shall refund to Purchaser the amount paid to Seller with respect to each Tax Sale Certificate or REO Property for which Purchaser demonstrates that Seller has breached the Limited Warranty. Seller shall provide any refund due within thirty (30) days of the expiration of the Limited Warranty Period.

**Section 2.09. Purchaser's Exception Report**. Within thirty (30) days after the Closing Date, the Purchaser may provide to the Seller a written report in the form attached hereto as Exhibit F, listing and identifying with particularity any error solely relating to: (a) the transfer or assignment of a Tax Sale Certificate or conveyance of REO Property; (b) which may include circumstances wherein one or more Tax Sale Certificates have not been executed or received; (c) is unrelated to the Delinquent Property; (d) is not what it purports to be, or has been mutilated or otherwise defaced to the point of being non-negotiable. Seller hereby agrees (which agreement shall survive the closing) to take all steps necessary to remedy such error, including to execute and deliver or cause to be executed and delivered any document so as to complete and effectuate the assignments and transfers contemplated by this Agreement.

**Section 2.10. Representations and Warranties of the Seller**. By assignment of any Tax Sale Certificate and conveyance of REO Property, the Seller shall be deemed to make the following representations and warranties to the Purchaser on and as of the Closing Date:

(a) The Seller has full right and authority to assign and transfer the Tax Sale Certificates and transfer REO Property, pursuant to the written authorization of a majority of the Members of SMI dated _____;

It is understood and agreed that the representations and warranties set forth in this Section 2.10 shall survive the assignment and transfer of the Tax Sale Certificates and the conveyance of REO Property to the Purchaser and shall inure to the benefit of the Purchaser, its successors or assigns.

Upon discovery by the Purchaser (or the Purchaser's successors or assigns) or the Seller of a breach of any of the foregoing representations and warranties that materially and adversely affects the interests of the Purchaser (or the Purchaser's successors or assigns) in any Tax Sale Certificate or REO Property, the party discovering such breach shall give prompt written notice to the other party, but in any event no later than sixty (60) days after the Closing Date.

**Section 2.11. Subsequent Taxes, Municipal Liens and Municipal Charges.** With respect to every Delinquent Property which is the subject of a Tax Sale Certificate or REO Property assigned or transferred to the Purchaser, the Purchaser (or the Purchaser's successors or assigns) shall have only such rights with respect to the payment of subsequent taxes, municipal liens and municipal charges, and interest and penalties thereon (and any consequent increase in the amount of the Lien), as are afforded generally to the holders of tax sale certificates or property owners under applicable Law, and any such payments (and Lien increases) shall be made only in accordance with applicable statutory procedures. Such rights may be subject to any rights of the Assessed Owner and other Persons (including holders of other tax sale certificates) to make such payments under applicable Law, whether prior to the date on which any such amounts are payable or otherwise. The Purchaser shall have no special contractual right or obligation to make any such payment.

**Section 2.12. Rights and Obligations of Tax Collector Unaffected.** As provided by applicable Law, the collection and enforcement of taxes and the preparation of redemption statements and discharges of tax sale certificates or obligations regarding REO Property shall remain the responsibility and obligation of the Tax Collector, or other authorized person.

**Section 2.13. Source of Purchaser Payments**. The Purchaser shall be required to provide to the Seller the following reports:

(a) The Purchaser shall promptly notify the Seller upon the Purchaser obtaining actual knowledge of any default described in Section 4.02.

(b) The Purchaser shall promptly notify the Seller upon the Purchaser obtaining actual knowledge of any actual, threatened or potential litigation of any nature, directly

contesting the legality of this Agreement or wherein an adverse decision would materially and adversely affect the ability of the Purchaser to perform its obligations under this Agreement.

## ARTICLE III

## CLOSING CONDITIONS; REPRESENTATIONS AND WARRANTIES

**Section 3.01. Closing Conditions Precedent to Sale of Tax Certificate Portfolio.** (a) The closing of the sale of the Tax Certificate Portfolio shall be held at the offices of Seller in Jenkintown, PA, on the Closing Date.

(b) In connection with, and as a condition precedent to the purchase by the Purchaser of the Tax Certificate Portfolio as contemplated by this Agreement, the Seller, on or before the Closing Date, shall deliver to the Purchaser the following documents or instruments:

(i) A copy of the written authorization of the Majority of the Members of SMI and all other documents and instruments required to be executed in connection with the transactions contemplated thereby, the original of which has been certified by an appropriate official of the Seller as a true and complete copy thereof;

(ii) An executed copy of this Agreement;

(c) The obligation of the Purchaser to purchase the Tax Certificate Portfolio from the Seller on the Closing Date shall be subject to satisfaction of each of the following conditions (unless waived by the Purchaser):

(i) Each of the documents or instruments referred to in Section 3.01(b) above shall have been delivered to the Purchaser;

(ii) All of the representations set forth in Sections 2.10 and 3.02 shall be true and correct as of the Closing Date;

(iii) The Seller shall have performed or complied with all of its obligations hereunder, on or before the Closing Date; and

(iv) No default described in Section 4.01, nor any event which upon notice or the passage of time or both would constitute such a default, shall have occurred or remain uncured.

(d) In connection with and as a condition precedent to the sale by Seller of the Tax Certificate Portfolio, as contemplated by this Agreement, the Purchaser, on or before the Closing Date, shall deliver to the Seller the following documents or instruments:

(i) Evidence satisfactory to the Seller and its counsel as to the due authorization, execution and delivery of this Agreement by the Purchaser;

(e) The obligation of Seller to sell the Tax Certificate Portfolio to the Purchaser on the Closing Date shall be subject to satisfaction of each of the following conditions (unless waived by the Seller):

(i) Each of the documents or instruments referred to in Section 3.01(d) shall have been delivered to the Seller;

(ii) All of the representations set forth in Section 3.03 shall be true and correct on the Closing Date;

(iii) The Purchaser shall have performed or complied with all of its obligations hereunder, on or before the Closing Date; and

(iv) No default described in Section 4.02, nor any event which upon notice or the passage of time or both would constitute a default, shall have occurred or remain uncured.

**Section 3.02. Representations and Warranties of the Seller.** (a) The Seller hereby represents and warrants that:

(i) The Seller is a Florida limited liability company, duly organized and validly existing under the laws of the State of Florida. The Seller has taken all necessary action to authorize the execution, delivery and performance of this Agreement by it and has the power and authority to execute, deliver and perform this Agreement and all the transactions contemplated hereby, including, but not limited to, the power and authority to sell the Tax Certificate Portfolio and to sell and/or assign the Tax Sale Certificates and convey REO Property to the Purchaser in accordance with this Agreement;

(ii) Assuming the due authorization, execution and delivery of this Agreement by the Purchaser, this Agreement and all of the obligations of the Seller hereunder are the legal, valid and binding obligations of the Seller, enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other insolvency laws relating to or affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(iii) The execution and delivery of this Agreement and the performance of its obligations hereunder by the Seller will not conflict with any provision of any law or regulation to which the Seller is subject, or conflict with, result in a breach of or constitute a default under any of the terms, conditions or provisions of this Agreement or any other agreement or instrument to which Seller is a party or by which it is bound, or any order or decree applicable to the Seller. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Seller of this Agreement; and

(iv) There is no action, suit or proceeding pending against the Seller in any court or by or before any other governmental agency or instrumentality that, if determined adversely to the interests of the Seller, would have a material adverse effect upon the ability of the Seller to perform its material obligations hereunder.

**Section 3.03. Representations and Warranties of the Purchaser.** (a) The Purchaser hereby represents and warrants that:

(i) Each of the Purchasers are a _____ duly and validly existing under the laws of the State of _____. The Purchaser has taken all necessary action to authorize the execution, delivery and performance of this Agreement by it and has the power and authority to execute, deliver and perform its obligations under this Agreement and all the transactions contemplated hereby, including, but not limited to, the power and authority to purchase the Tax Certificate Portfolio and to purchase and/or assume any other rights or obligations conveyed to the Purchaser hereunder in accordance with this Agreement;

(ii) Assuming the due authorization, execution and delivery of this Agreement by the Seller, this Agreement and all of the obligations of the Purchaser hereunder are the legal, valid and binding obligations of the Purchaser, enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(iii) The execution and delivery of this Agreement and the performance of its obligations hereunder by the Purchaser will not conflict with any provision of any law or regulation to which the Purchaser is subject, or conflict with, result in a breach of or constitute a default under any of the terms, conditions or provisions of this Agreement or any other agreement or instrument to which the Purchaser is a party or by which it is bound, or any order or decree applicable to the Purchaser. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Purchaser of this Agreement; and

(iv) There is no action, suit or proceeding pending against the Purchaser in any court or by or before any other governmental agency or instrumentality that, if determined adversely to the interests of the Purchaser, would have a material adverse effect upon the ability of the Purchaser to perform its material obligations hereunder.

## ARTICLE IV

## MISCELLANEOUS

**Section 4.01. Default by Seller**. If the Seller shall not have complied with any material provision of this Agreement within thirty (30) days after receiving written notice from the Purchaser of such noncompliance, the Seller shall be in default hereunder and the Purchaser shall have the right to seek specific performance in a court of law, which shall be Purchaser's sole remedy regarding any material noncompliance by the Seller.

**Section 4.02. Default by Purchaser.** (a) If the Purchaser shall fail to execute and deliver the Agreement for any reason other than the failure by the Seller to comply with the requirements of Section 3.01(c) hereof (with respect to the sale of the Tax Certificate Portfolio) or if the Purchaser shall fail to comply with the requirements of Section 3.01(e) (with respect to the purchase of the Tax Certificate Portfolio), then the Tax Certificate Portfolio shall not be sold to the Purchaser in accordance with this Agreement, and the Deposit Amount (as such term is defined in the Notice of Sale) shall be retained by the Seller as and for partial liquidated damages to secure the Seller from any loss resulting from the failure to close. The Seller shall have the right to exercise any rights that it may have at law or in equity in respect of any such loss to the extent such loss exceeds the retained Deposit Amount. The Seller may thereafter dispose of the Tax Certificate Portfolio in any manner.

(b) If the Purchaser shall fail to comply with the requirements of Section 2.05(c) (with respect to the payment of the Purchase Price (including any interest thereon as provided in Section 2.02(b)), then none of the Tax Sale Certificates or REO Property shall be assigned, transferred or conveyed to the Purchaser. The Seller may thereafter treat, distribute or dispose of any or all Tax Sale Certificates and REO Property in any manner, except as prohibited by applicable Law.

(c) If the Purchaser shall fail to pay the Purchase Price (including any interest thereon as provided in Section 2.02(b)) in full on or prior to the Closing Date, or if the Purchaser shall not have materially complied with any other provision of this Agreement within thirty (30) days after receiving notice from the Seller of such material noncompliance, the Purchaser shall be in default hereunder and the Seller shall have the right to exercise any rights that it may have at law or in equity in respect of such material noncompliance by the Purchaser.

**Section 4.03. Benefit of Agreement.** All the representations, warranties, covenants and agreements contained in this Agreement by or on behalf of the Purchaser or the Seller shall bind, and inure to the benefit of their respective successors and assigns.

**Section 4.04. Severability.** If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants,

agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

**Section 4.05. Amendments and Waivers.** This Agreement may not be amended, and compliance with any provision hereof may not be waived by the Purchaser or the Seller, unless such amendment or waiver is consented by written agreement between the Purchaser and the Seller.

**Section 4.06. Instructions; Notices.** All instructions, notices, requests or other communications desired or required to be given under this Agreement shall be in writing and shall be sent by (a) certified or registered mail, return receipt requested, postage prepaid, (b) national prepaid overnight delivery service, (c) telecopy or other facsimile transmission (following with hard copies to be sent by national prepaid overnight delivery service) or (d) personal delivery, with receipt acknowledged in writing, as follows:

(a) If to the Purchaser:

Strategic Municipal Investments, LLC
179 Washington Lane
Jenkintown, PA 19046

(b) If to the Seller:

Strategic Municipal Investments, LLC
179 Washington Lane
Jenkintown, PA 19046

All notices shall be deemed given when actually received or refused by the party to whom the same is directed (except to the extent sent by certified or registered mail, return receipt requested, postage prepaid, in which event such notice shall be deemed given three (3) days after the date of mailing). Each party may designate a change of address or supplemental addressee(s) by notice to the other parties, given at least fifteen (15) days before such change of address is to become effective.

**Section 4.07. Governing Law, Venue, Consent to Jurisdiction.** (a) This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and constituted, interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

(b) The Purchaser and the Seller irrevocably and unconditionally (i) agree that any suit, action or other legal proceeding arising out of this Agreement may be brought only in the state or federal courts of record located in the Commonwealth of Pennsylvania; (ii) consent to

the non-exclusive jurisdiction of each such court in any such suit, action or proceeding; and (iii) waive any objection which they may have to the laying of venue of any such suit, action or proceeding in any of such courts.

**Section 4.08. Counterparts.** This Agreement may be executed and delivered in any number of counterparts, and such counterparts taken together shall constitute one and the same instrument.

**Section 4.09. References to Sections.** References to sections used herein shall refer to sections of this Agreement unless otherwise specified herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

By: _____
Name:
Title:

By: _____
Name:
Title:

**EXHIBIT A**

Copy of Notice of Sale

**EXHIBIT B**

Assets of Tax Certificate Portfolio

**EXHIBIT C**

Wiring Instructions

Name of Bank:

ABA Number:

Account Number:

Ref:

Attn:

# EXHIBIT D

**RESERVED**

# EXHIBIT E

**RESERVED**

**EXHIBIT F**

Form of Purchaser's Exception Report

| Tax Sale Certificate No. | Nature of Error |
| --- | --- |

**EXHIBIT G**

Form of Legal Opinion of Counsel to the Seller

The opinion shall be addressed to the Purchaser, shall be based upon the laws of the State of New Jersey and (where applicable) the United States of America, and shall contain in substance the following:

1. The Seller, a Delaware limited liability company, with full power and authority to execute and deliver the Agreement and to perform its obligations thereunder.

2. The Agreement has been duly authorized, executed and delivered by the Seller, and the Agreement constitutes the legal, valid and binding obligation of the Seller, enforceable in accordance with its terms, except to the extent that enforcement of any Seller obligation may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other law or judicial decisions or principles or equity relating to or affecting the enforcement of creditors' rights generally, and general principles of equity.

3. No approval, permit, consent, authorization or order of any court or any governmental or public agency, authority or person not already obtained or effected is required in connection with the execution and delivery by the Seller of the Agreement or the performance by the Seller of its obligations under this Agreement.

**EXHIBIT H**

Form of Legal Opinion of Seller's Attorney

The opinion shall be addressed to the Purchaser, shall be based upon the laws of the Commonwealth of Pennsylvania and (where applicable) the United States of America, and shall contain in substance the following:

1. There is no action, suit, proceeding or investigation before any court, public board or body pending to which the Seller is a party or (to my knowledge) threatened against the Seller(a) contesting the validity or binding effect of the Agreement, or (b) in which is sought an adverse decision which would have a material adverse effect upon the ability of the Seller to consummate the transactions contemplated by, or the validity of, the Agreement, or (c) in which an adverse determination would materially adversely affect the ability of the Seller to comply with the obligations and terms thereof; or, if there is any such action, suit, proceeding or investigation, then the same is without merit.

**EXHIBIT I**

Form of Legal Opinion of Counsel to the Purchaser

The opinion shall be addressed to the Seller, shall be rendered by counsel reasonably satisfactory to the Seller and its counsel, shall be based upon the laws of the State of New Jersey and (where applicable) the United States of America, and shall contain in substance the following:

1. The Purchaser is a [corporation] [general partnership] [limited partnership] [limited liability company], duly organized, validly existing and in good standing under the laws of the State of _____ and qualified to transact business in the State of New Jersey, with full [corporate] [partnership] [limited liability company] power and authority to execute and deliver the Agreement and to perform its obligations thereunder and all the transactions contemplated hereby, including, but not limited to, the power and authority to purchase the Tax Certificate Portfolio and to purchase and/or assume the rights and obligations conveyed to the Purchaser hereunder in accordance with this Agreement.

2. The Agreement has been duly authorized, executed and delivered by the Purchaser, and the Agreement constitutes the legal, valid and binding obligation of the Purchaser, enforceable in accordance with its terms, except to the extent that enforcement of any Purchaser obligation may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other law or judicial decisions or principles or equity relating to or affecting the enforcement of creditors' rights generally, and general principles of equity.

3. The execution and delivery by the Purchaser of the Agreement and compliance with the provisions thereof as contemplated thereby do not and will not (a) conflict with or constitute on the part of the Purchaser a breach or default under the [articles of incorporations and by-laws] [partnership agreement] [limited liability company operating agreement] of the Purchaser or (b) constitute on the part of the Purchaser a breach, violation of or default under any indenture, mortgage, deed of trust, lease, note, commitment, agreement or other instrument or obligation to which the Purchaser is a party or by which it is bound, or any judgment, order or decree to which the Purchaser is subject or any existing law, rule or regulation to which the Purchaser is subject, where such conflict, violation or default would have a material and adverse effect on the Purchaser's performance of its obligations under the Agreement.

4. No approval, permit, consent, authorization or order of any court or any governmental or public agency, authority or person not already obtained or effected is required in connection with the execution and delivery by the Purchaser of the Agreement or the performance by the Purchaser of its obligations under the Agreement.

5. There is no action, suit, proceeding or investigation before any court, public board or body pending to which the Purchaser is a party or (to the best of our knowledge) threatened

against the Purchaser (a) contesting the validity or binding effect of the Agreement, or (b) in which is sought an adverse decision which would have a material adverse effect upon the ability of the Purchaser to consummate the transactions contemplated by, or the validity of, the Agreement, or (c) in which the adverse determination would materially adversely affect the ability of the Purchaser to comply with the obligations and terms thereof or would have a material adverse effect on the financial position or condition of the Purchaser.