

LOAN PURCHASE AGREEMENT

This Loan Purchase Agreement (the "Agreement"), dated as of _____, ____ (the "Closing Date"), is between BID Fund LLC, an Illinois limited liability corporation (the "Purchaser"), and _____, a state[national] banking association (the "Seller").

The Purchaser and the Seller hereby recite and agree as follows:

1. **Defined Terms.** Terms used without definition herein shall have the respective meanings assigned to them in the Servicing Agreement, dated as of _____, ____ (the "Servicing Agreement"), among the BID Fund Management, as master servicer (the "Master Servicer") pursuant to a management contract with the Purchaser (the "Management Contract") , and _____, as servicer (the "Servicer").

2. **Assignment of Servicing Agreements.** The Seller agrees to sell, and the Purchaser agrees to purchase, the Mortgage Loans and/or Mortgage Property listed on the Mortgage Loan Schedule and all of the Seller's interest with respect to the Mortgage Loans as the owner in, to and under such Servicing Agreement.

3. **Purchase Price; Purchase and Sale.** The purchase price (the "Purchase Price") for the Mortgage Loans shall consist of \$[_____] payable by the Purchaser to the Seller on the Closing Date in immediately available funds plus \$[_____] par amount of Preferred Equity Certificates plus \$[_____] par amount of Common Equity Certificates (together the "Equity Certificates") transferred by the Purchaser to the Seller on the Closing Date.

The Purchase Price is the aggregate value of the Mortgage Loans listed on the Mortgage Loan Schedule. For each Mortgage Loan, value is the lesser of (i) the Current Value of the related Mortgaged Property or (ii) the Unpaid Principal Balance of the Mortgage Loan, if any.

Upon payment of the Purchase Price, the Seller shall be deemed to have transferred, assigned, set over and otherwise conveyed to the Purchaser all the right, title and interest of the Seller in and to the Mortgage Loans including all interest and principal received or receivable by the Seller on or with respect to the Mortgage Loans after the Closing Date, together with all of the Seller's right, title and interest in and to the proceeds of any related title, hazard, primary mortgage or other insurance policies, the Seller's right to receive any other property.

The Purchaser hereby directs the Seller, and the Seller hereby agrees, to deliver to the Purchaser or its designee all documents, instruments and agreements required to be delivered to the Purchaser under the Servicing Agreement within thirty days of the Closing Date; including, without limitation, the documents required to be delivered under Section 5.1.1 of the Servicing Agreement. The Seller further agrees to deliver such other documents, instruments and agreements as the Purchaser or its designee shall reasonably request.

4. **Representations and Warranties; Covenants.** (a) The Seller hereby represents and warrants to the Purchaser that the representations and warranties pursuant to Section 4 of the Servicing Agreement are true and correct, as of the date thereof. The Seller hereby agrees to cure any breach of such representations and warranties in accordance with the terms of the Servicing Agreement.

(b) The Seller hereby represents that it has executed (i) a Servicing Agreement and (ii) a Secured Debt Indenture, dated as of _____, ____ (the "Indenture"), among the BID Fund, as borrower (the "Borrower") and _____, as lender (the "Lender").

(c) The Seller hereby represents and warrants to the Purchaser that, as of the date of execution of this Agreement, with respect to the Mortgage Loans, or each Mortgage Loan, as the case may be:

(i) The information set forth in the Mortgage Loan Schedule was true and correct in all material respects at the Closing Date;

(ii) Immediately prior to the transfer and assignment contemplated herein, the Seller was the sole owner and holder of the Mortgage Loan free and clear of any and all liens, pledges, charges or security interests of any nature and has full right and authority to sell and assign the same;

(iii) All taxes, governmental assessments, insurance premiums, and water, sewer and municipal charges, which previously became due and owing have been paid, or an escrow of funds has been established, to the extent permitted by law, in an amount sufficient to pay for every such item which remains unpaid;

(iv) The Mortgaged Property is undamaged by water, fire, earthquake, earth movement other than earthquake, windstorm, flood, tornado or similar casualty (excluding casualty from the presence of hazardous wastes or hazardous substances, as to which the Seller makes no representations), in a manner which would adversely affect the value of the Mortgaged Property as security for the Mortgage Loan or the use for which the premises was intended and to the best of the Seller's knowledge, there is no proceeding pending or threatened for the total or partial condemnation of the Mortgaged Property;

(v) The Mortgaged Property is free and clear of all mechanics' and materialmen's liens or liens in the nature thereof;

(vi) Except for Mortgage Loans secured by Co-op Shares and Mortgage Loans secured by residential long-term leases, the Mortgaged Property consists of a fee simple estate in real property; all of the improvements which are included for the purpose of determining the appraised value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of such property and no improvements on adjoining properties encroach upon the Mortgaged Property (unless insured against under the related title insurance policy); and to the best of the Seller's knowledge, the Mortgaged Property and all improvements thereon comply with all requirements of any applicable zoning and subdivision laws and ordinances;

(vii) The Mortgage Loan meets, or is exempt from, applicable state, federal or local laws, regulations and other requirements, pertaining to usury, and the Mortgage Loan is not usurious;

(viii) To the best of the Seller's knowledge, 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;

(ix) The Mortgage Note, the related Mortgage and other agreements executed in connection therewith are genuine, and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law); and, to the best of the Seller's knowledge, all parties to the Mortgage Note and the Mortgage had legal capacity to execute the Mortgage Note and the Mortgage and each Mortgage Note and Mortgage has been duly and properly executed by the Mortgagor;

(x) The proceeds of the Mortgage Loans have been fully disbursed, there is no requirement for future advances thereunder and any and all requirements as to completion of any on-site or off-site improvements and as to disbursements of any escrow funds therefor have been complied with (except for escrow funds for exterior items which could not be completed due to weather); and all costs, fees and expenses incurred in making, closing or recording the Mortgage Loan have been paid, except recording fees with respect to Mortgages not recorded as of the Closing Date;

(xi) No Mortgage Note or Mortgage is subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, nor will the operation of any of the terms of the Mortgage Note or Mortgage, or the exercise of any right thereunder, render the Mortgage Note or Mortgage unenforceable, in whole or in part, or subject it to any right of rescission, set-off, counterclaim or defense, including the defense of usury, and no such right of rescission, set-off, counterclaim or defense has been asserted with respect thereto;

(xii) Each Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security, including realization by judicial foreclosure (subject to any limitation arising from any bankruptcy, insolvency or other law for the relief of debtors), and there is no homestead or other exemption available to the Mortgagor which would interfere with such right of foreclosure;

(xiii) Each Mortgaged Property is located in the United States and consists of (a) a one- to four-unit residential property, which may include a detached home, townhouse, condominium unit or a unit in a planned unit development or, in the case of Mortgage Loans secured by Co-op Shares, leases or occupancy agreements, (b) an owner-occupied commercial property, (c) a commercial property which is or can be leased to a third party or (d) property under construction;

(xiv) No Mortgage Loan is a "high cost" loan as defined under any federal, state or local law applicable to such Mortgage Loan at the time of its origination;

Notwithstanding the foregoing, no representations or warranties are made by the Seller as to the environmental condition of any Mortgaged Property; the absence, presence or effect of hazardous wastes or hazardous substances on any Mortgaged Property; any casualty resulting from the presence or effect of hazardous wastes or hazardous substances on, near or emanating from any Mortgaged Property; the impact on the Purchaser of any environmental condition or presence of any hazardous substance on or near any Mortgaged Property; or the compliance of any Mortgaged Property with any environmental laws, nor is any agent, person or entity otherwise affiliated with the Seller authorized or able to make any such representation, warranty or assumption of liability relative to any Mortgaged Property.

It is understood and agreed that the representations and warranties set forth herein shall survive delivery of the respective Owner Mortgage Loan Files and shall inure to the benefit of the Purchaser notwithstanding any restrictive or qualified endorsement or assignment.

(d) The Seller hereby agrees to continue to pay on behalf of the Purchaser and its successors and assignees, promptly as they become due, any lender-paid primary mortgage insurance premiums ("LPMI Premiums") with respect to any lender-paid primary mortgage insurance policy (an "LPMI Policy") on each Mortgage Loan so insured, until such Mortgage Loan has been paid in full or otherwise liquidated; provided, however, that the foregoing obligation of the Seller shall terminate with respect to all such Mortgage Loans in the event that either (i) another entity acceptable to the insurers of such LPMI Policies (the "LPMI Insurers") undertakes to pay such LPMI Premiums, or (ii) the Seller pays one-time premiums to such LPMI Insurers such that all outstanding LPMI Policies will remain in force until the related Mortgage Loans have been paid in full or otherwise liquidated, without the requirement of any further premium payments.

5. Repurchase or Substitution. (a) The Seller hereby agrees to repurchase any Mortgage Loan (i) for which any document is not delivered, as provided in paragraph 3 above, (ii) which is found by the Purchaser to be defective in any material respect, as provided in the Servicing Agreement, or (iii) which is discovered at any time not to be in conformance with the representations and warranties referred to in paragraph 4 above and which defect or breach the Seller does not cure (as provided in paragraph 4 above) within 60 days after the date of notice thereof from the Purchaser. In all cases, the repurchase price will be equal to the Purchase Price. A pro rata amount of such repurchase shall be payable in Equity Certificates valued at their par amount. The remainder of the repurchase amount is payable in cash via deposit into the custodial account established for the benefit of the Purchaser. In addition, the Seller hereby agrees to pay the Master Servicer the Reimbursement Amount as defined in the Management Contract.

(b) Alternatively, the Purchaser hereby agrees, if so requested by the Seller to allow substitution for any such Mortgage Loan, a new mortgage loan having characteristics such that the representations and warranties referred to in paragraph 4 above would not have been incorrect (except for representations and warranties as to the correctness of the Mortgage Loan Schedule) had such substitute mortgage loan originally been a Mortgage Loan. The Seller represents that a substituted mortgage loan will have an unpaid principal balance no greater than the Scheduled

Principal Balance of the Mortgage Loan for which it is substituted. The Seller shall remit to the Purchaser the difference between the unpaid principal balance of the Mortgage Loan to be substituted and the unpaid principal balance of the substitute mortgage loan.

6. Underwriting. The Seller hereby agrees to furnish any and all information, documents, certificates, letters or opinions with respect to the Mortgage Loans, reasonably requested by the Purchaser in order to perform any of its obligations or satisfy any of the conditions on its part to be performed or satisfied pursuant to the Indenture at or prior to the Closing Date.

7. Costs. The Purchaser shall pay all expenses incidental to the performance of its obligations under this Agreement, including without limitation (i) any recording fees or fees for title policy endorsements and continuations, (ii) the expenses of preparing, printing and reproducing the Indenture, the Servicing Agreement and the Equity Certificates and (iii) the cost of delivering the Equity Certificates to the Seller.

8. Servicing. (a) The Seller hereby represents to the Purchaser that the Mortgage Loans are serviced by the Servicers. The Seller has delivered copies of each Servicing Agreement to the Purchaser. (b) With respect to each Mortgage Loan, the Servicing Fee Rate shall be as set forth on the Mortgage Loan Schedule. (c) On the Closing Date, the Seller shall assign to the Purchaser its interest with respect to the Mortgage Loans in, to and under each Servicing Agreement.

9. Notices. All demands, notices and communications hereunder shall be in writing, shall be effective only upon receipt and shall be addressed to it at:

if sent to the Purchaser:
BID Fund Management
Attn: Steven C. Patrick
801 S. Plymouth Court, Suite G
Chicago, Illinois, 60605

if sent to the Seller:

10. Purchaser as Beneficiary. The representations, warranties and agreements made by the Seller in this Agreement are made for the benefit of, and may be enforced by, the Purchaser.

11. Recharacterization. The parties hereto intend the conveyance by the Seller to the Purchaser of all of its right, title and interest in and to the Mortgage Loans pursuant to this Agreement to constitute a purchase and sale and not a loan. Notwithstanding the foregoing, to the extent that such conveyance is held not to constitute a sale under applicable law, it is intended that this Agreement shall constitute a security agreement under applicable law and that the Seller shall be deemed to have granted to the Purchaser a first priority security interest in all of the Seller's right, title and interest in and to the Mortgage Loans.

12. Clean-up Call. The Purchaser hereby grants to the Seller the right to repurchase all remaining Mortgage Loans at such time as the aggregate unpaid principal balance of such Mortgage Loans is less than ten percent (10%) of the Purchase Price. In such case, the repurchase price will equal the unpaid principal balance thereon.

13. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated except by a writing signed by the party against whom enforcement of such change, waiver, discharge or termination is sought. This Agreement may not be changed in any manner which would have a material adverse effect on holders of Equity Certificates without the prior written consent of the Master Servicer. The Master Servicer shall be protected in consenting to any such change to the same extent provided in Management Contract. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, which taken together shall constitute one and the same instrument. This Agreement shall bind and inure to the benefit of and be enforceable by the Purchaser and the Seller and their respective successors and assigns.

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

BID Fund LLC, by

BID Fund Management LLC, its agent

By: */s/ Steven C. Patrick*

Name: Steven C. Patrick
Title: President

By: */s/*

Name:
Title: