

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SEALINK FUNDING LIMITED,

Plaintiff,

v.

DEUTSCHE BANK AG; DEUTSCHE BANK
SECURITIES INC.; DB STRUCTURED
PRODUCTS, INC.; ACE SECURITIES CORP.
and DEUTSCHE ALT-A SECURITIES, INC.

Defendants.

Adv. Proc. No. 12-2051 (MG)

DECLARATION OF DAVID J. WOLL

I, David J. Woll, pursuant to 28 U.S.C. § 1746, declare under penalty of perjury as follows:

1. I am a partner with the law firm of Simpson Thacher & Bartlett LLP, counsel for defendants Deutsche Bank AG, Deutsche Bank Securities Inc., DB Structured Products, Inc., ACE Securities Corp., and Deutsche Alt-A Securities, Inc. (collectively "Deutsche Bank" or "Defendants"), and I am admitted to this Court. I respectfully submit this Declaration in support of Deutsche Bank's Memorandum of Law in Opposition to Plaintiff's Motion to Remand.

2. Attached as Exhibit A is a true and correct excerpt of the Underwriting Agreement for RALI Series 2007-QO2 by and among Residential Accredit Loans, Inc., Residential Funding Company, LLC, and Deutsche Bank Securities Inc., executed February 26, 2007.



3. Attached as Exhibit B is a true and correct excerpt of the Underwriting Agreement for RAMP Series 2007-RS1 by and among Residential Asset Mortgage Products, Inc., Residential Funding Company, LLC, and Deutsche Bank Securities Inc., executed February 28, 2007.

4. Attached as Exhibit C is a true and correct excerpt of the Amended and Restated Standard Terms and Provisions of Sale and Servicing Agreement by and among Residential Funding Company, LLC and DB Structured Products, Inc., dated August 22, 2005, as amended and restated to and including December 1, 2006.

5. Attached as Exhibit D are true and correct copies of Proofs of Claim filed on October 25, 2012 on behalf of Deutsche Bank Securities Inc. in the following bankruptcy proceedings: *In re Residential Accredit Loans, Inc.*, Case No. 12-12052 (Bankr. S.D.N.Y.); *In re Residential Asset Mortgage Products, Inc.*, Case No. 12-12053 (Bankr. S.D.N.Y.); and *In re Residential Funding Co., LLC*, Case No. 12-12019 (Bankr. S.D.N.Y.). Also attached as Exhibit D is a true and correct copy of the Proof of Claim filed on October 25, 2012 on behalf of DB Structured Products, Inc. in *In re Residential Funding Co., LLC*, Case No. 12-12019 (Bankr. S.D.N.Y.). The addendums to these Proofs of Claim are substantially similar to one another. For the Court's convenience, one such addendum is annexed to Exhibit D.

6. Attached as Exhibit E is a true and correct excerpt of a transcript from the proceedings held July 16, 2012 in *Bayerische Landesbank v. Merrill Lynch & Co., et al.*, Nos. 12 Civ. 2804, 3856, Doc. No. 21 (S.D.N.Y.).

7. Attached as Exhibit F is a true and correct excerpt of Sachsen LB's 2007 Annual Report, dated March 10, 2008.

8. Attached as Exhibit G is a true and correct copy of Landesbank Baden-Württemberg's Financial Stability Forum Report, dated June 30, 2010.

9. Attached as Exhibit H is a true and correct copy of Sealink Funding Limited's 2009 Abridged Financial Statements.

10. Attached as Exhibit I is a true and correct excerpt of a transcript from the proceedings held July 27, 2012 in *Stichting Pensioenfonds ABP v. ACE Securities Corp. et al.*, No. 652460/11, Doc. No. 35 (N.Y. Sup. Ct.).

11. Attached as Exhibit J is a true and correct copy of an article published on Bloomberg.com on May 14, 2012, *Ally's ResCap Files Bankruptcy, Plans Sale to Fortress*, Steve Church et al., Bloomberg.com (May 14, 2012), <http://www.bloomberg.com/news/2012-05-14/ally-s-residential-capital-files-for-bankruptcy-protection-1-.html> (last accessed Jan. 8, 2013).

I declare under penalty of perjury that the foregoing is true and correct.

Dated: New York, New York
January 30, 2013

By: /s/ David J. Woll
David J. Woll

EXHIBIT A

RESIDENTIAL ACCREDIT LOANS, INC.
Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QO2

Class A-1 Certificates	Adjustable Rate	\$388,219,000
Class A-2 Certificates	Adjustable Rate	\$48,527,000
Class A-3 Certificates	Adjustable Rate	\$48,528,000
Class M-1 Certificates	Adjustable Rate	\$10,398,000
Class M-2 Certificates	Adjustable Rate	\$7,999,000
Class M-3 Certificates	Adjustable Rate	\$2,666,000
Class M-4 Certificates	Adjustable Rate	\$6,932,000
Class M-5 Certificates	Adjustable Rate	\$3,199,000
Class M-6 Certificates	Adjustable Rate	\$2,666,000
Class M-7 Certificates	Adjustable Rate	\$2,666,000
Class M-8 Certificates	Adjustable Rate	\$2,133,000
Class M-9 Certificates	Adjustable Rate	\$3,199,000

UNDERWRITING AGREEMENT

February 26, 2007

Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

Ladies and Gentlemen:

Residential Accredit Loans, Inc., a Delaware corporation (the “Company”), proposes to sell to you (also referred to herein as the “Underwriter”) Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QO2 Class A-1, Class A-2, Class A-3, Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates (collectively, the “Certificates”), having the aggregate principal amounts and Pass-Through Rates set forth above. The Certificates, together with the Class B, Class SB and Class P Certificates, and the Class R-I, Class R-II, Class R-III and R-X Certificates (collectively, the “Class R Certificates”) of the same series, will evidence the entire beneficial interest in the Trust Fund (as defined in the Pooling and Servicing Agreement referred to below) consisting primarily of a pool (the “Pool”) of payment-option, adjustable-rate, one- to four-family residential first lien mortgage loans, with a negative amortization feature (the “Mortgage Loans”) as described in the Prospectus Supplement (as hereinafter defined) to be sold by the Company.

The Certificates will be issued pursuant to a series supplement (the “Series Supplement”), dated as of February 1, 2007 (the “Cut-off Date”), to the standard terms of a pooling and servicing agreement, dated as of December 1, 2006 (the “Standard Terms”, and together with the Series Supplement, the “Pooling and Servicing Agreement”), among the Company, as seller, Residential Funding Company, LLC (“Residential Funding”), as master servicer, and Deutsche Bank Trust Company Americas, as trustee (the “Trustee”). The Certificates are described more

fully in the Base Prospectus and the Prospectus Supplement (each as hereinafter defined), which the Company has furnished to you.

1. Representations, Warranties and Covenants.

1.1 The Company represents and warrants to, and agrees with you that:

(a) The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement (No. 333-131213) on Form S-3 for the registration under the Securities Act of 1933, as amended (the "Act"), of Mortgage Asset-Backed Pass-Through Certificates (issuable in series), including the Certificates, which registration statement has become effective, and a copy of which, as amended to the date hereof, has heretofore been delivered to you. The Company proposes to file with the Commission pursuant to Rule 424(b) under the rules and regulations of the Commission under the Act (the "1933 Act Regulations") a prospectus supplement dated February 26, 2007 (the "Prospectus Supplement"), to the prospectus dated December 6, 2006 (the "Base Prospectus"), relating to the Certificates and the method of distribution thereof. Such registration statement (No. 333-131213) including exhibits thereto and any information incorporated therein by reference, as amended at the date hereof, is hereinafter called the "Registration Statement"; and the Base Prospectus and the Prospectus Supplement and any information incorporated therein by reference, together with any amendment thereof or supplement thereto authorized by the Company on or prior to the Closing Date (as defined herein) for use in connection with the offering of the Certificates, are hereinafter called the "Prospectus."

(b) The Registration Statement has become effective, and the Registration Statement as of the effective date (the "Effective Date," as defined in this paragraph), and the Prospectus, as of the date of the Prospectus Supplement, complied in all material respects with the applicable requirements of the Act and the 1933 Act Regulations; and the Registration Statement, as of the Effective Date, did not contain any untrue statement of a material fact and did not omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and each Issuer Free Writing Prospectus (as defined herein) as of its date did not and at all times prior to the date of the Prospectus Supplement will not, and the Prospectus and Designated Static Pool Information, taken together, as of the date of the Prospectus Supplement did not and as of the Closing Date will not, contain an untrue statement of a material fact and did not and will not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except in the case of any Issuer Free Writing Prospectus, any omission with respect to information included in the definition of Senior and Mezzanine Structure Information); provided, however, that neither the Company nor Residential Funding makes any representations or warranties as to the information contained in or omitted from the Registration Statement or the Prospectus or any amendment thereof or supplement thereto relating to the information therein that is Excluded Information (as defined herein); and provided, further, that neither the Company nor Residential Funding makes any representations or warranties as to either (i) any information contained in any Underwriter Prepared Issuer FWP (as defined herein) or Underwriter Free Writing Prospectus (as defined herein) except, in each case, to the extent of (x) any information

set forth therein that constitutes Pool Information (as defined below) or (y) any information accurately extracted from any Issuer Free Writing Prospectus and included in any Underwriter Prepared Issuer FWP or Underwriter Free Writing Prospectus, or (ii) any information contained in or omitted from the portions of the Prospectus identified by underlining or other highlighting as shown in Exhibit F (the "Underwriter Information"). The Effective Date shall mean the earlier of the date on which the Prospectus Supplement is first used and the time of the first Contract of Sale (as defined herein) to which such Prospectus Supplement relates. The initial effective date of the Registration Statement was within three years of the Closing Date. If the third anniversary of the initial effective date occurs within six months after the Closing Date, the Company will use best efforts to take such action as may be necessary or appropriate to permit the public offering and sale of the Certificates as contemplated hereunder. The Company acknowledges that the Underwriter Information constitutes the only information furnished in writing by you or on your behalf for use in connection with the preparation of the Registration Statement or the Prospectus, and the Underwriter confirms that the Underwriter Information is correct.

(c) (i) "ABS Informational and Computational Materials" shall have the meaning given such term in Item 1101 of Regulation AB.

(ii) "Approved Offering Materials" means with respect to any class of Certificates, collectively the following documents as most recently provided by the Company and designated in writing by the Company as Approved Offering Materials prior to the time of any Contract of Sale: (i) one or more term sheets, providing factual information about the Certificates and the structure and basic parameters thereof (excluding information about the subdivision of the senior classes into tranches), the basic terms of the subordination or other credit enhancements if known, factual information about the Mortgage Loans (which may include parameters or "stips" or tabular data prepared by the Company), the identity of and basic information about key parties to the transaction known to the Company, and the tax, ERISA and SMMEA characteristics of the Certificates, (ii) a term sheet supplement, containing risk factors and additional information of the type to appear in the Prospectus Supplement to the extent known, and (iii) the Base Prospectus, which may be provided by a weblink. Each of the items described in (i) and (ii) in the preceding sentence shall constitute an Issuer Free Writing Prospectus and any additional information provided by the Underwriter shall constitute an Underwriter Free Writing Prospectus or Underwriter Prepared Issuer FWP, as the case may be.

(iii) "Contract of Sale" has the same meaning as in Rule 159 of the 1933 Act Regulations and all Commission guidance relating to Rule 159.

(iv) "Designated Static Pool Information" shall mean the static pool information referred to in the Prospectus under the caption "Static Pool Information" but deemed to be excluded from the Registration Statement and Prospectus pursuant to Item 1105(d) of Regulation AB.

(v) “Excluded Information” shall mean, with respect to each of the Registration Statement and the Prospectus, the information identified by underlining or other highlighting as shown on Exhibit E.

(vi) “Free Writing Prospectus” shall have the meaning given such term in Rules 405 and 433 of the 1933 Act Regulations.

(vii) “Issuer Free Writing Prospectus” shall mean any Free Writing Prospectus prepared by or on behalf of the Company and identified by the Company as an Issuer Free Writing Prospectus and relating to the Certificates or the offering thereof.

(viii) “Issuer Information” shall mean any information of the type specified in clauses (1) – (5) of footnote 271 of Commission Release No. 33-8591 (Securities Offering Reform), other than Underwriter Derived Information. Consistent with such definition, “Issuer Information” shall not be deemed to include any information in a Free Writing Prospectus solely by reason of the Company’s review of the materials pursuant to Section 4.4(e) below and, consistent with Securities Offering Reform Questions and Answers, November 30, 2005 promulgated by the staff of the Commission, “Issuer Information” shall not be deemed to include any information in a Free Writing Prospectus solely by reason that the Underwriter has agreed not to use such Free Writing Prospectus without consent of the Company.

(ix) “Permitted Additional Materials” shall mean information that is not ABS Informational and Computational Materials and (x) that are referred to in Section 4.4(c) so long as any Issuer Information provided by the Underwriter pursuant to Section 4.4(c) is limited to information included within the definition of ABS Informational and Computational Materials, (y) that constitute Certificate price, yield, weighted average life, subscription or allocation information, or a trade confirmation, or (z) otherwise with respect to which the Company has provided written consent to the Underwriter to include in a Free Writing Prospectus.

(x) “Pool Information” means with respect to any Free Writing Prospectus, the information (including any Preliminary Pool Information) with respect to the characteristics of the Mortgage Loans and administrative and servicing fees, as provided by or on behalf of the Company or Residential Funding to the Underwriter at the time most recent to the date of such Free Writing Prospectus.

(xi) “Preliminary Pool Information” means with respect to any Free Writing Prospectus, the information with respect to the characteristics of the Mortgage Loans and administrative and servicing fees, as provided by or on behalf of the Company or Residential Funding to the Underwriter at the time most recent to the date of such Free Writing Prospectus and designated “Preliminary Pool Information”.

(xii) "Senior and Mezzanine Structure Information" shall mean, with respect to each class of Certificates, (i) the Pass-Through Rate if a fixed rate, or the formula for determining the Pass-Through Rate, (ii) the terms and the provider of any yield maintenance agreement, swap agreement or other agreement that provides payments payable on any class of the Certificates, (iii) the terms and the provider of any surety bond, financial guaranty insurance policy, or other insurance policy regarding any class of the Certificates not known to the Company when the Approved Offering Materials were prepared, (iv) the allocation to each class of Certificates of the aggregate amount of the cashflow payable among the Certificates collectively, and (v) the allocation to each class of Certificates of the aggregate amount of any Realized Losses allocable to the Certificates collectively, in each case, to the extent such information is not contained in the Approved Offering Materials.

(xiii) "Underwriter Derived Information" shall refer to information of the type described in clause (5) of footnote 271 of Commission Release No. 33-8591 (Securities Offering Reform) when prepared by the Underwriter, including traditional computational and analytical materials prepared by the Underwriter.

(xiv) "Underwriter Free Writing Prospectus" shall mean all Free Writing Prospectuses prepared by or on behalf of the Underwriter other than any Underwriter Prepared Issuer FWP, including any Permitted Additional Materials.

(xv) "Underwriter Prepared Issuer FWP" shall mean any Free Writing Prospectus or portion thereof prepared by or on behalf of the Underwriter that contains only a description of the final terms of the Certificates or of the offering of the Certificates after the final terms have been established for all classes of Certificates.

(xvi) "Written Communication" shall have the meaning given such term in Rule 405 of the 1933 Act Regulations.

(d) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware and has the requisite corporate power to own its properties and to conduct its business as presently conducted by it.

(e) The Company was not, as of any date on or after which a bona fide offer (as used in Rule 164(h)(2) of the 1933 Act Regulations) of the Certificate is made an Ineligible Issuer, as such term is defined in Rule 405 of the 1933 Act Regulations. The Company shall comply with all applicable laws and regulations in connection with the use of Free Writing Prospectuses, including but not limited to Rules 164 and 433 of the 1933 Act Regulations and all Commission guidance relating to Free Writing Prospectuses, including but not limited to Commission Release No. 33-8591.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) As of the Closing Date (as defined herein) the Certificates will conform in all material respects to the description thereof contained in the Prospectus and the representations and warranties of the Company in the Pooling and Servicing Agreement will be true and correct in all material respects.

1.2 Residential Funding represents and warrants to, and agrees with you that as of the Closing Date the representations and warranties of Residential Funding in the Pooling and Servicing Agreement will be true and correct in all material respects.

1.3 The Underwriter represents and warrants to and agrees with the Company and Residential Funding that:

(a) The Underwriter hereby certifies that (i) with respect to any classes of Certificates issued in authorized denominations or Percentage Interests of less than a notional amount of \$2,000,000 or a Percentage Interest of 20% the fair market value of each such Certificate sold to any person on the date of initial sale thereof by the Underwriter will not be less than \$100,000 and (ii) with respect to each class of Certificates to be maintained on the book-entry records of The Depository Trust Company ("DTC"), the interest in each such class of Certificates sold to any person on the date of initial sale thereof by the Underwriter will not be less than the minimum denomination indicated for such class of Certificates in the Prospectus Supplement.

(b) The Underwriter will have funds available at Deutsche Bank Trust Company Americas in the Underwriter's account at such bank at the time all documents are executed and the closing of the sale of the Certificates is completed, except for the transfer of funds and the delivery of the Certificates. Such funds will be available for immediate transfer into the account of Residential Funding maintained at such bank.

(c) As of the date hereof and as of the Closing Date, the Underwriter has complied with all of its obligations hereunder and all information contained in any Underwriter Free Writing Prospectus and in any Underwriter Prepared Issuer FWP as used in connection with any Contract of Sale and all Underwriter Information are accurate in all material respects (taking into account the assumptions explicitly set forth in such Underwriter Prepared Issuer FWP or Underwriter Free Writing Prospectus), except to the extent of (x) any errors therein that are caused by errors or omissions in the Pool Information or (y) information accurately extracted from any Issuer Free Writing Prospectus and included in any Underwriter Prepared Issuer FWP or Underwriter Free Writing Prospectus.

(d) Prior to the Closing Date, the Underwriter shall notify the Company and Residential Funding of the earlier of (x) the date on which the Prospectus Supplement is first used and (y) the time of the first Contract of Sale to which such Prospectus Supplement relates.

2. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to you, and you agree to purchase from the Company, the Certificates at a price equal to 99.99% of the aggregate certificate principal balance of the Certificates as of the Closing Date (as defined herein). There

will be added to the purchase price of the Certificates an amount equal to interest accrued thereon from the Cut-off Date up to but not including the Closing Date.

3. Delivery and Payment. Delivery of and payment for the Certificates shall be made at the office of Orrick, Herrington & Sutcliffe LLP at 10:00 a.m., New York City time, on February 27, 2007 or such later date as you shall designate, which date and time may be postponed by agreement between you and the Company (such date and time of delivery and payment for the Certificates being herein called the "Closing Date"). Delivery of the Class A-1, Class A-2, Class A-3, Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates shall be made to you through the Depository Trust Company ("DTC") (such Certificates, the "DTC Registered Certificates") against payment by you of the purchase price thereof to or upon the order of the Company by wire transfer in immediately available funds.

4. Offering by Underwriter.

4.1 It is understood that you propose to offer the Certificates for sale to the public as set forth in the Prospectus and you agree that all such offers and sales by you shall be made in compliance with all applicable laws and regulations. Prior to the date of the first Contract of Sale made based on the Approved Offering Materials, you have not pledged, sold, disposed of or otherwise transferred any Certificate, Mortgage Loans or any interest in any Certificate.

4.2 It is understood that you will solicit offers to purchase the Certificates as follows:

(a) Prior to the time you have received the Approved Offering Materials you may, in compliance with the provisions of this Agreement, solicit offers to purchase Certificates; provided, that you shall not accept any such offer to purchase a Certificate or any interest in any Certificate or Mortgage Loan or otherwise enter into any Contract of Sale for any Certificate, any interest in any Certificate or any Mortgage Loan prior to your conveyance of Approved Offering Materials to the investor.

(b) Any Written Communication relating to the Certificates made by an Underwriter in compliance with the terms of this Agreement prior to the time such Underwriter has entered into a Contract of Sale for Certificates with the recipient shall prominently set forth the following statements (or a substantially similar statements approved by the Company):

The information in this free writing prospectus, if conveyed prior to the time of your contractual commitment to purchase any of the Certificates, supersedes any information contained in any prior similar materials relating to the Certificates. The information in this free writing prospectus is preliminary, and is subject to completion or change. This free writing prospectus is being delivered to you solely to provide you with information about the offering of the Certificates referred to in this free writing prospectus and to solicit an offer to purchase the Certificates, when, as and if issued. Any such offer to purchase made by you will not be accepted and will not constitute a contractual

commitment by you to purchase any of the Certificates, until we have accepted your offer to purchase Certificates.

The Certificates referred to in these materials are being sold when, as and if issued. The issuer is not obligated to issue such Certificates or any similar security and the underwriter's obligation to deliver such Certificates is subject to the terms and conditions of the underwriting agreement with the issuer and the availability of such Certificates when, as and if issued by the issuer. You are advised that the terms of the Certificates, and the characteristics of the mortgage loan pool backing them, may change (due, among other things, to the possibility that mortgage loans that comprise the pool may become delinquent or defaulted or may be removed or replaced and that similar or different mortgage loans may be added to the pool, and that one or more classes of Certificates may be split, combined or eliminated), at any time prior to issuance or availability of a final prospectus. You are advised that Certificates may not be issued that have the characteristics described in these materials. The underwriter's obligation to sell such Certificates to you is conditioned on the mortgage loans and Certificates having the characteristics described in these materials. If for any reason the issuer does not deliver such Certificates, the underwriter will notify you, and neither the issuer nor any underwriter will have any obligation to you to deliver all or any portion of the Certificates which you have committed to purchase, and none of the issuer nor any underwriter will be liable for any costs or damages whatsoever arising from or related to such non-delivery.

(c) Any Preliminary Pool Information shall not be provided to prospective investors unless such Preliminary Pool Information is accompanied by the Approved Offering Materials and the following statements (or substantially similar statements approved by the Company) appear prominently thereon:

The information set forth below, entitled "preliminary information", was derived from a preliminary pool of mortgage loans which is not representative of the mortgage loans that will comprise the final mortgage loan pool. The preliminary pool of mortgage loans represents only a subset of the final mortgage loan pool and mortgage loans that are included in the preliminary mortgage loan pool may be removed from the final mortgage loan pool. It is expected that the characteristics of the final mortgage loan pool will differ, and may differ materially, from the characteristics of the preliminary pool of mortgage loans and the preliminary information may differ materially from information of a similar type if derived from the final mortgage loan pool. Although the characteristics of the final mortgage loan pool are expected to be within the parameters for the mortgage loan characteristics as set forth in the tables entitled ["collateral

stipulations - mortgage pool characteristics”] [accompanying Approved Offering Materials], they are not expected to conform in all material respects to the characteristics of the preliminary mortgage loan pool. You should refer to the parameters for the mortgage loan characteristics in the tables entitled [“collateral stipulations - mortgage pool characteristics”] in the accompanying [Approved Offering Materials].

4.3 It is understood that you will not enter into a Contract of Sale with any investor until the Approved Offering Materials have been conveyed to the investor with respect to the Certificates which are the subject of such Contract of Sale.

4.4 It is understood that you may prepare and provide to prospective investors certain Free Writing Prospectuses, subject to the following conditions:

(a) Unless preceded or accompanied by a prospectus satisfying the requirements of Section 10(a) of the Act, the Underwriter shall not convey or deliver any Written Communication to any person in connection with the initial offering of the Certificates, unless such Written Communication (i) is made in reliance on Rule 134 under the Act, (ii) constitutes a prospectus satisfying the requirements of Rule 430B under the Act or (iii) constitutes a Free Writing Prospectus (as defined in Section 1.1(c) above) consisting solely of (x) information of a type included within the definition of ABS Informational and Computational Materials (as defined below), (y) Permitted Additional Materials or (z) information accurately extracted from any Issuer Free Writing Prospectus and included in any Underwriter Prepared Issuer FWP or Underwriter Free Writing Prospectus.

(b) The Underwriter shall comply with all applicable laws and regulations in connection with the use of Free Writing Prospectuses, including but not limited to Rules 164 and 433 of the 1933 Act Regulations and all Commission guidance relating to Free Writing Prospectuses, including but not limited to Commission Release No. 33-8591.

(c) It is understood and agreed that all information provided by the Underwriter to or through Bloomberg or Intex or similar entities for use by prospective investors, or imbedded in any CDI file provided to prospective investors, to the extent constituting a Free Writing Prospectus, shall be deemed an Underwriter Free Writing Prospectus.

(d) All Free Writing Prospectuses provided to prospective investors, whether or not filed with the Commission, shall bear a legend including the following statement (or a substantially similar statement approved by the Company):

“THE DEPOSITOR HAS FILED A REGISTRATION STATEMENT (INCLUDING A PROSPECTUS) WITH THE SECURITIES AND EXCHANGE COMMISSION (THE SEC) FOR THE OFFERING TO WHICH THIS COMMUNICATION RELATES. BEFORE YOU INVEST, YOU SHOULD READ THE PROSPECTUS IN

THAT REGISTRATION STATEMENT AND OTHER DOCUMENTS THE DEPOSITOR HAS FILED WITH THE SEC FOR MORE COMPLETE INFORMATION ABOUT THE DEPOSITOR AND THE OFFERING. YOU MAY GET THESE DOCUMENTS AT NO CHARGE BY VISITING EDGAR ON THE SEC WEB SITE AT WWW.SEC.GOV. ALTERNATIVELY, THE DEPOSITOR, ANY UNDERWRITER OR ANY DEALER PARTICIPATING IN THE OFFERING WILL ARRANGE TO SEND YOU THE PROSPECTUS AT NO CHARGE IF YOU REQUEST IT BY CALLING TOLL-FREE 1-8[XX-XXX-XXXX] OR VIA EMAIL AT _____.

Each of the Underwriter and the Company shall have the right to request additional specific legends or notations to appear on any Free Writing Prospectus and shall have the right to require changes regarding the use of terminology and the right to determine the types of information appearing therein with the approval of the other (which shall not be unreasonably withheld).

(e) The Underwriter shall deliver to the Company and its counsel (in such format as reasonably required by the Company), no later than the business day prior to the date of the required filing under Section 5.10, an Underwriter Prepared Issuer FWP. To facilitate filing to the extent required by Section 5.10 or 5.11, as applicable, all Underwriter Derived Information shall be set forth in a document separate from any Underwriter Prepared Issuer FWP including Issuer Information. The Underwriter shall deliver to the Company one business day following a request by the Company all Preliminary Pool Information (or information based on or derived in whole or in part from Preliminary Pool Information) provided by it to any prospective investor.

(f) The Underwriter shall provide the Company with a letter from Deloitte & Touche LLP, certified public accountants, prior to the Closing Date, satisfactory in form and substance to the Company, Residential Funding and their respective counsels and the Underwriter, to the effect that such accountants have performed certain specified procedures, all of which have been agreed to by the Company and the Underwriter, as a result of which they determined that certain information of an accounting, financial or statistical nature that is included in any Underwriter Prepared Issuer FWP, other than any Pool Information therein and any information accurately extracted from any Issuer Free Writing Prospectus and included in such Underwriter Prepared Issuer FWP, is accurate except as to such matters that are not deemed by the Company and the Underwriter to be material. The foregoing letter shall be at the expense of the Underwriter.

(g) None of the information in any Free Writing Prospectus may conflict with the information then contained in the Registration Statement or any prospectus or prospectus supplement that is a part thereof. The Certificates described in any Underwriter Free Writing Prospectus or any Underwriter Prepared Issuer FWP will be of a type set forth in one of the categories listed beneath the heading "Description of

Certificates” in the term sheet supplement included in the Approved Offering Materials and the description of the characteristics of the Certificates contained in such Underwriter Free Writing Prospectus or any Underwriter Prepared Issuer FWP shall not be inconsistent with the description of the Certificates beneath such heading in the term sheet supplement.

(h) The Company shall not be obligated to file any Issuer Free Writing Prospectuses that have been determined to contain any material error or omission unless such Issuer Free Writing Prospectus has been provided to a prospective investor, in which case, the Underwriter shall cooperate with the Company to prepare a corrective Issuer Free Writing Prospectus that the Underwriter will provide to any such prospective investor and the Company shall file to the extent required herein. In the event that the Underwriter becomes aware that, as of the date on which an investor entered into a Contract of Sale, any Free Writing Prospectus prepared by or on behalf of the Underwriter and delivered to such investor contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading (such Free Writing Prospectus, a “Defective Free Writing Prospectus”), the Underwriter shall notify the Company thereof as soon as practical but in any event within one business day after discovery.

(i) If the Underwriter does not provide any Free Writing Prospectuses to the Company pursuant to subsection (e) above, the Underwriter shall be deemed to have represented, as of the Closing Date, that it did not provide any prospective investors with any information in written or electronic form in connection with the offering of the Certificates that would constitute an Underwriter Prepared Issuer FWP.

(j) In the event of any delay in the delivery by the Underwriter to the Company of any Underwriter Prepared Issuer FWP required to be delivered in accordance with subsection (e) above, or in the delivery of the accountant’s comfort letter in respect thereof pursuant to subsection (f) above, the Company shall have the right to delay the release of the Prospectus to investors or to the Underwriter, to delay the Closing Date and to take other appropriate actions in each case as necessary in order to allow the Company to comply with its agreement set forth in Section 5.10 to file such Underwriter Prepared Issuer FWP by the time specified therein.

(k) The Underwriter represents that it has in place, and covenants that it shall maintain, internal controls and procedures which it reasonably believes to be sufficient to ensure full compliance with all applicable legal requirements of the 1933 Act Regulations with respect to the generation and use of Free Writing Prospectuses in connection with the offering of the Certificates. In addition, each Underwriter shall, for a period of at least three years after the date hereof, maintain written and/or electronic records of the following:

(i) any Free Writing Prospectus used by the Underwriter to solicit offers to purchase Certificates to the extent not filed with the Commission;

(ii) regarding each Free Writing Prospectus delivered by the Underwriter to an investor, the date of such delivery and identity of such investor; and

(iii) regarding each Contract of Sale entered into by such Underwriter, the date, identity of the investor and the terms of such Contract of Sale, as set forth in the related confirmation of trade.

(l) The Underwriter covenants with the Company that after the final Prospectus is available the Underwriter shall not distribute any written information concerning the Certificates to a prospective investor unless such information is preceded or accompanied by the final Prospectus. It is understood and agreed that the use of written information in accordance with the preceding sentence is not a Free Writing Prospectus and is not otherwise restricted or governed in any way by this Agreement.

(m) The Underwriter shall not use any Free Writing Prospectus in connection with the solicitation of offers to purchase Certificates from any prospective investor in a class of Certificates with denominations of less than \$100,000 or otherwise designated as a "retail" class of Certificates, and the Underwriter shall not authorize any such use of any Free Writing Prospectus by any dealer that purchases any such Certificates from the Underwriter.

4.5 You further agree that on or prior to the sixth day after the Closing Date, you shall provide the Company with a certificate, substantially in the form of Exhibit G attached hereto, setting forth (i) in the case of each class of Certificates, (a) if less than 10% of the aggregate certificate principal balance of such class of Certificates has been sold to the public as of such date, the value calculated pursuant to clause (b)(iii) of Exhibit G hereto, or, (b) if 10% or more of such class of Certificates has been sold to the public as of such date but no single price is paid for at least 10% of the aggregate certificate principal balance of such class of Certificates, then the weighted average price at which the Certificates of such class were sold expressed as a percentage of the certificate principal balance of such class of Certificates sold, or (c) the first single price at which at least 10% of the aggregate certificate principal balance of such class of Certificates was sold to the public, (ii) the prepayment assumption used in pricing each class of Certificates, and (iii) such other information as to matters of fact as the Company may reasonably request to enable it to comply with its reporting requirements with respect to each class of Certificates to the extent such information can in the good faith judgment of the Underwriter be determined by it.

4.6 The Underwriter agrees that (i) if the Prospectus is not delivered with the confirmation in reliance on Rule 172, it will include in every confirmation sent out the notice required by Rule 173 informing the investor that the sale was made pursuant to the Registration Statement and that the investor may request a copy of the Prospectus from the Underwriter; (ii) if a paper copy of the Prospectus is requested by a person who receives a confirmation, Underwriter shall deliver a printed or paper copy of such Prospectus; and (iii) if an electronic copy of the Prospectus is delivered by the Underwriter for any purpose, such copy shall be the same electronic file containing the Prospectus in the identical form transmitted electronically to the Underwriter by or on behalf of the Company specifically for use by the Underwriter pursuant to this Section 4.6; for example, if the Prospectus is delivered to the Underwriter by or on behalf

of the Company in a single electronic file in pdf format, then the Underwriter will deliver the electronic copy of the Prospectus in the same single electronic file in pdf format. The Underwriter further agrees that (i) if it delivers to an investor the Prospectus in pdf format, upon the Underwriter's receipt of a request from the investor within the period for which delivery of the Prospectus is required, the Underwriter will promptly deliver or cause to be delivered to the investor, without charge, a paper copy of the Prospectus and (ii) it will provide to the Company any Underwriter Prepared Issuer FWP, or portions thereof, which the Company is required to file with the Commission in electronic format and will use reasonable efforts to provide to the Company such Underwriter Prepared Issuer FWP, or portions thereof, in either Microsoft Word® or Microsoft Excel® format and not in a pdf, except to the extent that the Company, in its sole discretion, waives such requirements.

5. Agreements. The Company and you agree as follows:

5.1 Before amending or supplementing the Registration Statement or the Prospectus with respect to the Certificates, the Company will furnish you with a copy of each such proposed amendment or supplement.

5.2 The Company will cause the Prospectus Supplement to be transmitted to the Commission for filing pursuant to Rule 424(b) under the Act by means reasonably calculated to result in filing with the Commission pursuant to said rule.

5.3 If, during the period after the first date of the public offering of the Certificates in which a prospectus relating to the Certificates is required to be delivered under the Act, any event occurs as a result of which it is necessary to amend or supplement the Prospectus, as then amended or supplemented, in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if it shall be necessary to amend or supplement the Prospectus to comply with the Act or the 1933 Act Regulations, the Company promptly will prepare and furnish, at its own expense, to you, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law.

5.4 If the Company or the Underwriter determines or becomes aware that any Written Communication (including without limitation any Free Writing Prospectus) or oral statement (when considered in conjunction with all information conveyed at the time of Contract of Sale) contains an untrue statement of material fact or omits to state a material fact necessary to make the statements, in light of the circumstances under which they were made, not misleading at the time that a Contract of Sale was entered into, either the Company or the Underwriter may prepare corrective information with notice to the other party, and the Underwriter shall deliver such information in a manner reasonably acceptable to both parties, to any person with whom a Contract of Sale was entered into, and such information shall provide any such person with the following:

- (a) Adequate disclosure of the contractual arrangement;
- (b) Adequate disclosure of the person's rights under the existing Contract of Sale at the time termination is sought;

(c) Adequate disclosure of the new information that is necessary to correct the misstatements or omissions in the information given at the time of the original Contract of Sale; and

(d) A meaningful ability to elect to terminate or not terminate the prior Contract of Sale and to elect to enter into or not enter into a new Contract of Sale.

Any costs incurred to the investor in connection with any such termination or reformation shall be subject to Sections 7.1 and 7.2, as applicable.

5.5 The Company will furnish to you, without charge, a copy of the Registration Statement (including exhibits thereto) and, so long as delivery of a prospectus by an underwriter or dealer may be required by the Act, as many copies of the Prospectus, any documents incorporated by reference therein and any amendments and supplements thereto as you may reasonably request; provided, however, that if the Prospectus is not delivered with the confirmation in reliance on Rule 172, you will provide the notice specified in Section 4.6 in every confirmation and will deliver a paper copy of the prospectus to those investors that request a paper copy thereof.

5.6 The Company agrees, so long as the Certificates shall be outstanding, or until such time as you shall cease to maintain a secondary market in the Certificates, whichever first occurs, to deliver to you the annual statement as to compliance delivered to the Trustee pursuant to Section 3.18 of the Pooling and Servicing Agreement and the annual statement of a firm of independent public accountants furnished to the Trustee pursuant to Section 3.19 of the Pooling and Servicing Agreement, as soon as such statements are furnished to the Company.

5.7 The Company will endeavor to arrange for the qualification of the Certificates for sale under the laws of such jurisdictions as you may reasonably designate and will maintain such qualification in effect so long as required for the initial distribution of the Certificates; provided, however, that the Company shall not be required to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to general or unlimited service of process in any jurisdiction where it is not now so subject.

5.8 If the transactions contemplated by this Agreement are consummated, the Company or Residential Funding will pay or cause to be paid all expenses incident to the performance of the obligations of the Company and Residential Funding under this Agreement, and will reimburse you for any reasonable expenses (including reasonable fees and disbursements of counsel) reasonably incurred by you in connection with qualification of the Certificates for sale and determination of their eligibility for investment under the laws of such jurisdictions as you have reasonably requested pursuant to Section 5.7 above and the printing of memoranda relating thereto, for any fees charged by investment rating agencies for the rating of the Certificates, and for expenses incurred in distributing the Prospectus (including any amendments and supplements thereto) to the Underwriter. Except as herein provided, you shall be responsible for paying all costs and expenses incurred by you, including the fees and disbursements of your counsel, in connection with the purchase and sale of the Certificates.

5.9 If, during the period after the Closing Date in which a prospectus relating to the Certificates is required to be delivered under the Act, the Company receives notice that a stop order suspending the effectiveness of the Registration Statement or preventing the offer and

sale of the Certificates is in effect, the Company will advise you of the issuance of such stop order.

5.10 The Company shall file any Issuer Free Writing Prospectus, and any Underwriter Prepared Issuer FWP provided to it by the Underwriter under Section 4.4, not later than the date of first use thereof, except that:

(a) any Issuer Free Writing Prospectus or Underwriter Prepared Issuer FWP or portion thereof otherwise required to be filed that contains only (1) a description of the final terms of the Certificates may be filed by the Company within two days of the later of the date such final terms have been established for all classes of Certificates and the date of first use, and (2) a description of the terms of the Certificates that does not reflect the final terms after they have been established for all classes of all Certificates is not required to be filed; and

(b) if the Issuer Free Writing Prospectus or Underwriter Prepared Issuer FWP includes only information of a type included in the definition of ABS Informational and Computational Materials, the Company shall file the same within the later of two business days after the Underwriter first provides this information to investors and the date upon which the Company is required to file the Prospectus Supplement with the Commission pursuant to Rule 424(b)(3) of the Act.

provided further, that prior to the filing of any Underwriter Prepared Issuer FWP by the Company, the Underwriter must comply with its obligations pursuant to Section 4.4 and that the Company shall not be required to file any Free Writing Prospectus to the extent such Free Writing Prospectus includes information in a Free Writing Prospectus or Prospectus previously filed with the Commission or that does not contain substantive changes from or additions to a Free Writing Prospectus previously filed with the Commission.

5.11 The Underwriter shall file any Underwriter Free Writing Prospectus that has been distributed by the Underwriter in a manner reasonably designed to lead to its broad, unrestricted dissemination within the later of two business days after the Underwriter first provides this information to investors and the date upon which the Company is required to file the Prospectus Supplement with the Commission pursuant to Rule 424(b)(3) of the Act or otherwise as required under Rule 433 of the Act; provided, however, that the Underwriter shall not be required to file any Underwriter Free Writing Prospectus to the extent such Underwriter Free Writing Prospectus includes information in a Free Writing Prospectus or Prospectus previously filed with the Commission or that does not contain substantive changes from or additions to a Free Writing Prospectus previously filed with the Commission.

5.12 The Company acknowledges and agrees that the Underwriter is acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of securities contemplated hereby (including in connection with determining the terms of the offering) and not as a fiduciary to, or an agent of, the Company or any other person. Additionally, the Underwriter is not advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriter shall have no responsibility or liability to the Company with respect thereto. Any

review by the Underwriter of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriter and shall not be on behalf of the Company.

6. Conditions to the Obligations of the Underwriter. The Underwriter's obligation to purchase the Certificates shall be subject to the following conditions:

6.1 No stop order suspending the effectiveness of the Registration Statement shall be in effect, and no proceedings for that purpose shall be pending or, to the knowledge of the Company, threatened by the Commission; and the Prospectus Supplement shall have been filed or transmitted for filing by means reasonably calculated to result in a filing with the Commission pursuant to Rule 424(b) under the Act.

6.2 Since February 1, 2007 there shall have been no material adverse change (not in the ordinary course of business) in the condition of the Company or Residential Funding.

6.3 The Company shall have delivered to you a certificate, dated the Closing Date, of the President, a Senior Vice President or a Vice President of the Company to the effect that the signer of such certificate has examined this Agreement, the Approved Offering Materials, the Prospectus, the Pooling and Servicing Agreement and various other closing documents, and that, to the best of his or her knowledge after reasonable investigation:

(a) the representations and warranties of the Company in this Agreement and in the Pooling and Servicing Agreement are true and correct in all material respects; and

(b) the Company has, in all material respects, complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date.

6.4 Residential Funding shall have delivered to you a certificate, dated the Closing Date, of the President, a Managing Director, a Director or an Associate of Residential Funding to the effect that the signer of such certificate has examined the Pooling and Servicing Agreement and this Agreement and that, to the best of his or her knowledge after reasonable investigation, the representations and warranties of Residential Funding contained in the Pooling and Servicing Agreement and in this Agreement are true and correct in all material respects.

6.5 You shall have received the opinions of Orrick, Herrington & Sutcliffe LLP, special counsel for the Company and Residential Funding, dated the Closing Date and substantially to the effect set forth in Exhibit A, and the opinion of Bruce Bowen, associate counsel for the Company and Residential Funding, dated the Closing Date and substantially to the effect set forth in Exhibit B.

6.6 You shall have received from Thacher Proffitt & Wood LLP, counsel for the Underwriter, opinions dated the Closing Date in form and substance satisfactory to the Underwriter.

6.7 The Underwriter shall have received from Deloitte & Touche LLP, certified public accountants, (a) a letter dated the date hereof and satisfactory in form and

substance to the Underwriter and the Underwriter's counsel, to the effect that they have performed certain specified procedures, all of which have been agreed to by the Underwriter, as a result of which they determined that certain information of an accounting, financial or statistical nature set forth in the Prospectus Supplement under the captions "Description of the Mortgage Pool", "Pooling and Servicing Agreement", "Description of the Certificates", "Certain Yield and Prepayment Considerations" and in "Annex I—Mortgage Loan Statistical Information" agrees with the records of the Company and Residential Funding excluding any questions of legal interpretation and (b) the letter prepared pursuant to Section 4.4(e).

6.8 The Class A-1, Class A-2 and Class A-3 Certificates shall have been rated "AAA" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") and "Aaa" by Moody's Investors Service, Inc. ("Moody's"), the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates shall have been rated "AA+," "AA," "AA-," "A+," "A," "A-," "BBB+," "BBB+" and "BBB-," respectively, by Standard & Poor's and "Aaa," "Aa1," "Aa1," "Aa2," "Aa3," "A1," "A3," "Baa1" and "Baa2", respectively, by Moody's.

6.9 You shall have received the opinion of Sonnenschein Nath & Rosenthal LLP, counsel to the Trustee, dated the Closing Date, substantially to the effect set forth in Exhibit C.

6.10 You shall have received the opinion of Faegre & Benson, LLP, special Minnesota tax counsel for the Company, dated the Closing Date, substantially to the effect set forth in Exhibit D.

6.11 You shall have received from Bruce Bowen, associate counsel to the Company, a reliance letter with respect to any opinions delivered to the rating agencies, or you shall have been listed as an addressee on any such opinions.

The Company will furnish you with conformed copies of the above opinions, certificates, letters and documents as you reasonably request.

7. Indemnification and Contribution.

7.1 The Company and Residential Funding, jointly and severally, agree to indemnify and hold harmless you and each person, if any, who controls you within the meaning of either Section 15 of the Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all losses, claims, damages and liabilities (i) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement for the registration of the Certificates as originally filed or in any amendment thereof or other filing incorporated by reference therein, or in the Prospectus and Designated Static Pool Information, taken together, or incorporated by reference in the Prospectus (if used within the period set forth in Section 5.3 hereof and as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (ii) caused by any untrue statement or alleged untrue statement of a material fact contained in any Issuer Free Writing Prospectus, or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light

of the circumstances under which they were made, not misleading (except any omission with respect to information included in the definition of Senior and Mezzanine Structure Information), or (iii) caused by any untrue statement of a material fact or alleged untrue statement of a material fact contained in any Underwriter Prepared Issuer FWP or any Underwriter Free Writing Prospectus or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, that in either case was caused by (x) any error or omission in any Pool Information or (y) or any information accurately extracted from any Issuer Free Writing Prospectus and included in any Underwriter Prepared Issuer FWP or Underwriter Free Writing Prospectus; except insofar as such losses, claims, damages, or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon any information with respect to which the Underwriter has agreed to indemnify the Company pursuant to clause (i) of Section 7.2; provided, however, that none of the Company, Residential Funding or you will be liable in any case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein relating to the Excluded Information.

7.2 You agree to indemnify and hold harmless the Company, Residential Funding, their respective directors or officers and any person controlling the Company or Residential Funding within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (i) caused by any untrue statement or alleged untrue statement of material fact contained in the Underwriter Information, or any omission or alleged omission to state therein any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) caused by any untrue statement or alleged untrue statement of material fact contained in any Underwriter Free Writing Prospectus (except for any information accurately extracted from any Issuer Free Writing Prospectus and included in such Underwriter Free Writing Prospectus), or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (iii) caused by any untrue statement or alleged untrue statement of material fact contained in any Underwriter Prepared Issuer FWP (except for any information accurately extracted from any Issuer Free Writing Prospectus and included in such Underwriter Prepared Issuer FWP), or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (iv) resulting from your failure to comply with Section 4.3 or Section 4.4(e) or failure to file any Underwriter Free Writing Prospectus required to be filed in accordance with Section 5.11; provided, however, that the indemnification set forth in clauses (ii) and (iii) of this Section 7.2 shall not apply to the extent of any error or omission in any Underwriter Prepared Issuer FWP or any Underwriter Free Writing Prospectus that was caused by any error or omission in any Pool Information; provided, further, that none of the Company, Residential Funding or you will be liable in any case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein relating to the Excluded Information. In addition, you agree to indemnify and hold harmless the Company, Residential Funding, their respective directors or officers and any person controlling the Company or Residential Funding against any and all losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) caused by, resulting from, relating to, or based upon the original issue discount reported by Residential Funding or the REMIC Administrator or the

determination that a Certificate is or will or will not be issued with original issue discount, which determination resulted from incorrect information provided by the Underwriter in the certificates described in Section 4.5 hereof.

7.3 In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either Section 7.1 or Section 7.2, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the reasonable fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm for all such indemnified parties. Such firm shall be designated in writing by you, in the case of parties indemnified pursuant to Section 7.1 and by the Company or Residential Funding, in the case of parties indemnified pursuant to Section 7.2. The indemnifying party may, at its option, at any time upon written notice to the indemnified party, assume the defense of any proceeding and may designate counsel reasonably satisfactory to the indemnified party in connection therewith provided that the counsel so designated would have no actual or potential conflict of interest in connection with such representation. Unless it shall assume the defense of any proceeding the indemnifying party shall not be liable for any settlement of any proceeding, effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. If the indemnifying party assumes the defense of any proceeding, it shall be entitled to settle such proceeding with the consent of the indemnified party or, if such settlement provides for release of the indemnified party in connection with all matters relating to the proceeding which have been asserted against the indemnified party in such proceeding by the other parties to such settlement, without the consent of the indemnified party.

7.4 If the indemnification provided for in this Section 7 is unavailable to an indemnified party under Section 7.1 or Section 7.2 hereof or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities, in such proportion as is appropriate to reflect not only the relative benefits received by the Company and Residential Funding on the one hand and the Underwriter on the other from the offering of the Certificates but also the relative fault of the Company or Residential Funding on the one hand and of the Underwriter on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and Residential Funding on the one hand and of the Underwriter

on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriter, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

7.5 The Company, Residential Funding and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the considerations referred to in Section 7.4 above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in this Section 7 shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim except where the indemnified party is required to bear such expenses pursuant to Section 7.4; which expenses the indemnifying party shall pay as and when incurred, at the request of the indemnified party, to the extent that the indemnifying party believes that it will be ultimately obligated to pay such expenses. In the event that any expenses so paid by the indemnifying party are subsequently determined to not be required to be borne by the indemnifying party hereunder, the party which received such payment shall promptly refund the amount so paid to the party which made such payment. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7.6 The indemnity and contribution agreements contained in this Section 7 and the representations and warranties of the Company and Residential Funding in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by the Underwriter or on behalf of the Underwriter or any person controlling the Underwriter or by or on behalf of the Company or Residential Funding and their respective directors or officers or any person controlling the Company or Residential Funding and (iii) acceptance of and payment for any of the Certificates.

8. Termination. This Agreement shall be subject to termination by notice given to the Company and Residential Funding, if the sale of the Certificates provided for herein is not consummated because of any failure or refusal on the part of the Company or Residential Funding to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company or Residential Funding shall be unable to perform their respective obligations under this Agreement. If you terminate this Agreement in accordance with this Section 8, the Company or Residential Funding will reimburse you for all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been reasonably incurred by the Underwriter in connection with the proposed purchase and sale of the Certificates.

9. Certain Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company, Residential Funding or the officers of any of the Company, Residential Funding, and you set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by you or on your behalf or made by or

on behalf of the Company or Residential Funding or any of their respective officers, directors or controlling persons, and will survive delivery of and payment for the Certificates.

10. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Underwriter will be mailed, delivered or telegraphed and confirmed to you at Deutsche Bank Securities Inc., 60 Wall Street, New York, New York 10005, or if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at Residential Accredit Loans, Inc., 8400 Normandale Lake Boulevard, Suite 250, Minneapolis, Minnesota 55437, Attention: President; or, if sent to Residential Funding will be mailed, delivered or telegraphed and confirmed to it at Residential Funding Company, LLC, 8400 Normandale Lake Boulevard, Suite 250, Minneapolis, Minnesota 55437, Attention: President.

11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7 hereof, and their successors and assigns, and no other person will have any right or obligation hereunder.

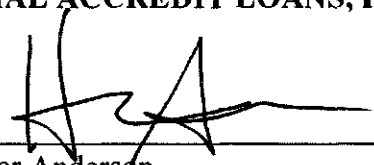
12. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of law principles thereof, other than Sections 5-1401 and 5-1402 of the New York General Obligations Law.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, which taken together shall constitute one and the same instrument.


If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company, Residential Funding and you.

Very truly yours,

RESIDENTIAL ACCREDIT LOANS, INC.

By: 
Name: Heather Anderson
Title: Vice President

RESIDENTIAL FUNDING COMPANY, LLC

By: 
Name: Marguerite Steffes
Title: Associate

The foregoing Underwriting Agreement
is hereby confirmed and accepted as of
the date first above written.

DEUTSCHE BANK SECURITIES INC.

By: _____
Name:
Title:

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company, Residential Funding and you.

Very truly yours,

RESIDENTIAL ACCREDIT LOANS, INC.

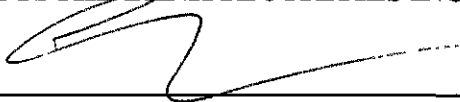
By: _____
Name: Heather Anderson
Title: Vice President

RESIDENTIAL FUNDING COMPANY, LLC

By: _____
Name: Marguerite Steffes
Title: Associate

The foregoing Underwriting Agreement
is hereby confirmed and accepted as of
the date first above written.

DEUTSCHE BANK SECURITIES INC.

By: 
Name:
Title:

**ERNIE CALABRESE
DIRECTOR**



**RIKA YANO
VICE PRESIDENT**

EXHIBIT B

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

Mortgage Asset-Backed Pass-Through Certificates, Series 2007-RS1

<u>Initial Principal Amount</u>	<u>Class</u>	<u>Initial Pass-Through Rate</u>
\$160,279,000	Class A-1 Certificates	Adjustable
\$14,033,000	Class A-2 Certificates	Adjustable
\$154,951,000	Class A-3 Certificates	Adjustable
\$62,287,000	Class A-4 Certificates	Adjustable
\$43,506,000	Class A-5 Certificates	Adjustable
\$8,450,000	Class M-1 Certificates	Adjustable
\$8,450,000	Class M-2 Certificates	Adjustable
\$4,829,000	Class M-3 Certificates	Adjustable
\$4,104,000	Class M-4 Certificates	Adjustable
\$3,863,000	Class M-5 Certificates	Adjustable
\$3,380,000	Class M-6 Certificates	Adjustable
\$2,897,000	Class M-7 Certificates	Adjustable
\$2,414,000	Class M-8 Certificates	Adjustable
\$2,414,000	Class M-9 Certificates	Adjustable
\$2,414,000	Class M-10 Certificates	Adjustable

UNDERWRITING AGREEMENT

February 28, 2007

Deutsche Bank Securities Inc.,
as Underwriter
60 Wall Street, 19th Floor
New York, New York 10005

Ladies and Gentlemen:

Residential Asset Mortgage Products, Inc., a Delaware corporation (the "Company"), proposes to sell to you (also referred to herein as the "Underwriter"), the Mortgage Asset-Backed Pass-Through Certificates, Series 2007-RS1, Class A-1, Class A-2, Class A-3, Class A-4 and Class A-5 (the "Class A Certificates"), Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9 and Class M-10 Certificates (the "Class M Certificates," and together with the Class A Certificates, the "Certificates"), having the aggregate principal amounts and Pass-Through Rates set forth above. The Certificates, together

with the Class SB, Class R-I and Class R-II Certificates of the same series, will evidence the entire beneficial interest in the Trust Fund (as defined in the Pooling and Servicing Agreement referred to below), consisting primarily of a pool (the "Pool") of one- to -four-family fixed-rate and adjustable-rate first lien mortgage loans (the "Mortgage Loans") as described in the Prospectus Supplement (as hereinafter defined) to be sold by the Company.

The Certificates will be issued pursuant to a pooling and servicing agreement (the "Pooling and Servicing Agreement"), dated as of February 1, 2007, among the Company, as seller, Residential Funding Company, LLC, a Delaware limited liability company ("Residential Funding"), as master servicer, and LaSalle Bank National Association, as trustee and supplemental interest trust trustee (the "Trustee" and the "Supplemental Interest Trust Trustee," respectively) (the "Pooling and Servicing Agreement"). The Certificates are described more fully in the Base Prospectus and the Prospectus Supplement (each as hereinafter defined), which the Company has furnished to you.

1. Representations, Warranties and Covenants.

1.1 The Company represents and warrants to, and agrees with the Underwriter that:

(a) The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement (No. 333-131211) on Form S-3 for the registration under the Securities Act of 1933, as amended (the "Act"), of Mortgage Asset-Backed Pass-Through Certificates (issuable in series), including the Certificates, which registration statement has become effective, and a copy of which, as amended to the date hereof, has heretofore been delivered to you. The Company proposes to file with the Commission pursuant to Rule 424(b) under the rules and regulations of the Commission under the Act (the "1933 Act Regulations") a prospectus supplement dated March 7, 2007 (the "Prospectus Supplement"), to the prospectus dated December 4, 2006 (the "Base Prospectus"), relating to the Certificates and the method of distribution thereof. Such registration statement (No. 333-131211) including exhibits thereto and any information incorporated therein by reference, as amended at the date hereof, is hereinafter called the "Registration Statement"; and the Base Prospectus and the Prospectus Supplement and any information incorporated therein by reference, together with any amendment thereof or supplement thereto authorized by the Company on or prior to the Closing Date (as defined herein) for use in connection with the offering of the Certificates, are hereinafter called the "Prospectus." Any preliminary form of the Prospectus Supplement to be filed pursuant to Rule 424(b) is referred to as a "Preliminary Prospectus Supplement" and, together with the Base Prospectus, and as amended or supplemented if the Company shall have furnished any amendments or supplements thereto, a "Preliminary Prospectus."

(b) The Registration Statement has become effective, and the Registration Statement as of the effective date (the "Effective Date," as defined in this paragraph), and the Prospectus, as of the date of the Prospectus Supplement, complied in all material respects with the applicable requirements of the Act and the 1933 Act Regulations; and the Registration Statement, as of the Effective Date, did not contain any

untrue statement of a material fact and did not omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and each Issuer Free Writing Prospectus (as defined herein) as of its date did not, and the Approved Offering Materials (as defined herein) as of the date of the Approved Offering Materials did not and as of the Closing Date will not, and the Prospectus, as of the date of the Prospectus Supplement did not and as of the Closing Date will not, contain an untrue statement of a material fact and did not and will not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that neither the Company nor Residential Funding makes any representations or warranties as to the information contained in or omitted from the Registration Statement, the Approved Offering Materials or the Prospectus or any amendment thereof or supplement thereto relating to the information therein that is Excluded Information (as defined herein); and provided, further, that neither the Company nor Residential Funding makes any representations or warranties as to either (i) any information contained in any Underwriter Prepared Issuer FWP (as defined herein) or Underwriter Free Writing Prospectus (as defined herein) except, in each case, to the extent of (x) any information set forth therein that constitutes Pool Information (as defined below) or (y) any information accurately extracted from the Preliminary Prospectus Supplement or any Issuer Free Writing Prospectus and included in any Underwriter Prepared Issuer FWP, or (ii) any information contained in or omitted from the portions of the Approved Offering Materials or Prospectus identified by underlining or other highlighting as shown in Exhibit F (the "Underwriter Information"). The Effective Date shall mean the earlier of the date on which the Prospectus Supplement is first used and the time of the first Contract of Sale (as defined herein) to which such Prospectus Supplement relates. The initial effective date of the Registration Statement was within three years of the Closing Date. If the third anniversary of the initial effective date occurs within six months after the Closing Date, the Company will use best efforts to take such action as may be necessary or appropriate to permit the public offering and sale of the Certificates as contemplated hereunder. The Company acknowledges that the Underwriter Information constitutes the only information furnished in writing by you or on your behalf for use in connection with the preparation of the Registration Statement, any Preliminary Prospectus or the Prospectus, and the Underwriter confirms that the Underwriter Information is correct with respect to the Certificates it underwrites.

(c) (i) "ABS Informational and Computational Materials" shall have the meaning given such term in Item 1101 of Regulation AB.

(ii) "Approved Offering Materials" means the Preliminary Prospectus.

(iii) "Contract of Sale" has the same meaning as in Rule 159 of the 1933 Act Regulations and all Commission guidance relating to Rule 159.

(iv) "Excluded Information" shall mean, with respect to (x) each of the Registration Statement, the Approved Offering Materials and the Prospectus, the information identified by underlining or other highlighting as shown on Exhibit E, and (y) each Underwriter Prepared Issuer FWP and each

Underwriter Free Writing Prospectus, all information contained therein which is restated in, or is corrected and superseded by, the Approved Offering Materials.

(v) "Free Writing Prospectus" shall have the meaning given such term in Rules 405 and 433 of the 1933 Act Regulations.

(vi) "Issuer Free Writing Prospectus" shall mean any Free Writing Prospectus prepared by or on behalf of the Company and identified by the Company as an Issuer Free Writing Prospectus and relating to the Certificates or the offering thereof.

(vii) "Issuer Information" shall mean any information of the type specified in clauses (1) – (5) of footnote 271 of Commission Release No. 33-8591 (Securities Offering Reform), other than Underwriter Derived Information. Consistent with such definition, "Issuer Information" shall not be deemed to include any information in a Free Writing Prospectus solely by reason of the Company's review of the materials pursuant to Section 4.4(e) below and, consistent with Securities Offering Reform Questions and Answers, November 30, 2005 promulgated by the staff of the Commission, "Issuer Information" shall not be deemed to include any information in a Free Writing Prospectus solely by reason that the Underwriter has agreed not to use such Free Writing Prospectus without consent of the Company.

(viii) "Permitted Additional Materials" shall mean information that is not ABS Informational and Computational Materials and (x) that are referred to in Section 4.4(c) so long as any Issuer Information provided by the Underwriter pursuant to Section 4.4(c) is limited to information included within the definition of ABS Informational and Computational Materials, (y) that constitute Certificate price, yield, weighted average life, subscription or allocation information, or a trade confirmation, or (z) otherwise with respect to which the Company has provided written consent to the applicable Underwriter to include in a Free Writing Prospectus.

(ix) "Pool Information" means with respect to any Free Writing Prospectus, the information with respect to the characteristics of the Mortgage Loans and administrative and servicing fees, as provided by or on behalf of the Company or Residential Funding to each applicable Underwriter at the time most recent to the date of such Free Writing Prospectus.

(x) "Underwriter Derived Information" shall refer to information of the type described in clause (5) of footnote 271 of Commission Release No. 33-8591 (Securities Offering Reform) when prepared by any Underwriter, including traditional computational and analytical materials prepared by the Underwriter.

(xi) "Underwriter Free Writing Prospectus" shall mean all Free Writing Prospectuses prepared by or on behalf of any Underwriter other than any Underwriter Prepared Issuer FWP, including any Permitted Additional Materials.

(xii) "Underwriter Prepared Issuer FWP" shall mean any Free Writing Prospectus prepared by or on behalf of any Underwriter that contains any Issuer Information, including any Free Writing Prospectus or portion thereof prepared by or on behalf of any Underwriter that contains only a description of the final terms of the Certificates or of the offering of the Certificates.

(xiii) "Written Communication" shall have the meaning given such term in Rule 405 of the 1933 Act Regulations.

(d) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware and has the requisite corporate power to own its properties and to conduct its business as presently conducted by it.

(e) The Company was not, as of any date on or after which a bona fide offer (as used in Rule 164(h)(2) of the 1933 Act Regulations) of the Certificate is made an Ineligible Issuer, as such term is defined in Rule 405 of the 1933 Act Regulations. The Company shall comply with all applicable laws and regulations in connection with the use of Free Writing Prospectuses, including but not limited to Rules 164 and 433 of the 1933 Act Regulations and all Commission guidance relating to Free Writing Prospectuses, including but not limited to Commission Release No. 33-8591.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) As of the Closing Date (as defined herein) the Certificates will conform in all material respects to the description thereof contained in the Prospectus and the representations and warranties of the Company in the Pooling and Servicing Agreement will be true and correct in all material respects.

1.2 Residential Funding represents and warrants to, and agrees with the Underwriter that as of the Closing Date the representations and warranties of Residential Funding in the Pooling and Servicing Agreement will be true and correct in all material respects.

1.3 The Underwriter represents and warrants to and agrees with the Company and Residential Funding that:

(a) The Underwriter has no present knowledge or expectation that it will be unable to pay any United States taxes owed by it so long as any of the Certificates remain outstanding.

(b) The Underwriter has no present knowledge or expectation that it will become insolvent or subject to a bankruptcy proceeding for so long as any of the Certificates remain outstanding.

(c) The Underwriter hereby certifies that (i) with respect to any classes of Certificates issued in authorized denominations or Percentage Interests of less than a notional amount of \$2,000,000 or a Percentage Interest of 20% the fair market value of each such Certificate sold to any person on the date of initial sale thereof by the Underwriter will not be less than \$100,000 and (ii) with respect to each class of Certificates to be maintained on the book-entry records of The Depository Trust Company ("DTC"), the interest in each such class of Certificates sold to any person on the date of initial sale thereof by the Underwriter will not be less than the minimum denomination indicated for such class of Certificates in the Prospectus Supplement.

(d) The Underwriter will have funds available at LaSalle Bank National Association, in the Underwriter's account at such bank at the time all documents are executed and the closing of the sale of the Certificates is completed, except for the transfer of funds and the delivery of the Certificates. Such funds will be available for immediate transfer into the account of Residential Funding maintained at such bank.

(e) As of the date hereof and as of the Closing Date, the Underwriter has complied with all of its obligations hereunder and all Underwriter Prepared Issuer FWP and Underwriter Information prepared by the Underwriter is accurate in all material respects (taking into account the assumptions explicitly set forth in such Underwriter Prepared Issuer FWP, except for any Excluded Information and to the extent of (x) any errors therein that are caused by errors or omissions in the Pool Information) or (y) information accurately extracted from the Preliminary Prospectus Supplement or any Issuer Free Writing Prospectus and included in any Underwriter Prepared Issuer FWP. The Underwriter Prepared Issuer FWP delivered to the Company, if any, constitute a complete set of all Underwriter Prepared Issuer FWP furnished by the Underwriter to any investor by the Underwriter in connection with the offering of any Certificates.

(f) Prior to the Closing Date, the Underwriter shall notify the Company and Residential Funding of the earlier of (x) the date on which the Prospectus Supplement is first used and (y) the time of the first Contract of Sale to which such Prospectus Supplement relates.

2. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to the Underwriter, and the Underwriter agrees to purchase from the Company, all of the Certificates at a price equal to 99.91% of the aggregate certificate principal balance of the Certificates as of the Closing Date (as defined herein). There will be added to the purchase price of the Certificates an amount equal to interest accrued thereon from February 1, 2007 up to but not including the Closing Date.

3. Delivery and Payment. Delivery of and payment for the Certificates shall be made at the office of Mayer, Brown, Rowe & Maw LLP at 10:00 a.m., New York City time, March 9, 2007 or such later date as you shall designate, which date and time may be postponed

by agreement between you and the Company (such date and time of delivery and payment for the Certificates being herein called the "Closing Date"). Delivery of the RAMP 2007-RS1, the Class A Certificates and the Class M Certificates shall be made to you through the Depository Trust Company ("DTC") (such Certificates, the "DTC Registered Certificates") against payment by you of the purchase price thereof to or upon the order of the Company by wire transfer in immediately available funds.

4. Offering by Underwriter.

4.1 It is understood that the Underwriter proposes to offer the Certificates for sale to the public as set forth in the Prospectus and the Underwriter agrees that all such offers and sales by the Underwriter shall be made in compliance with all applicable laws and regulations. Prior to the date of the first Contract of Sale made based on the Approved Offering Materials, the Underwriter has not pledged, sold, disposed of or otherwise transferred any Certificate, Mortgage Loans or any interest in any Certificate.

4.2 It is understood that the Underwriter will solicit offers to purchase the Certificates as follows:

(a) Prior to the time it has received the Approved Offering Materials the Underwriter may, in compliance with the provisions of this Agreement, solicit offers to purchase Certificates; provided, that it shall not accept any such offer to purchase a Certificate or any interest in any Certificate or Mortgage Loan or otherwise enter into any Contract of Sale for any Certificate, any interest in any Certificate or any Mortgage Loan prior to its conveyance of Approved Offering Materials to the investor.

(b) any Written Communication relating to the Certificates made by the Underwriter in compliance with the terms of this Agreement prior to the time the Underwriter has entered into a Contract of Sale for Certificates with the recipient shall prominently set forth the following statements (or a substantially similar statements approved by the Company):

The information in this free writing prospectus, if conveyed prior to the time of your contractual commitment to purchase any of the Certificates, supersedes any information contained in any prior similar materials relating to the Certificates. The information in this free writing prospectus is preliminary, and is subject to completion or change. This free writing prospectus is being delivered to you solely to provide you with information about the offering of the Certificates referred to in this free writing prospectus and to solicit an offer to purchase the Certificates, when, as and if issued. Any such offer to purchase made by you will not be accepted and will not constitute a contractual commitment by you to purchase any of the Certificates, until we have accepted your offer to purchase Certificates.

The Certificates referred to in these materials are being sold when, as and if issued. The issuing entity is not obligated to issue such

Certificates or any similar security and the underwriter's obligation to deliver such Certificates is subject to the terms and conditions of the underwriting agreement with the issuing entity and the availability of such Certificates when, as and if issued by the issuing entity. You are advised that the terms of the Certificates, and the characteristics of the mortgage loan pool backing them, may change (due, among other things, to the possibility that mortgage loans that comprise the pool may become delinquent or defaulted or may be removed or replaced and that similar or different mortgage loans may be added to the pool, and that one or more classes of Certificates may be split, combined or eliminated), at any time prior to issuance or availability of a final prospectus. You are advised that Certificates may not be issued that have the characteristics described in these materials. The underwriter's obligation to sell such Certificates to you is conditioned on the mortgage loans and Certificates having the characteristics described in these materials. If for any reason the issuing entity does not deliver such Certificates, the underwriter will notify you, and neither the issuing entity nor any underwriter will have any obligation to you to deliver all or any portion of the Certificates which you have committed to purchase, and none of the issuing entity nor any underwriter will be liable for any costs or damages whatsoever arising from or related to such non-delivery.

4.3 It is understood that the Underwriter will not enter into a Contract of Sale with any investor until the Approved Offering Materials have been conveyed to the investor with respect to the Certificates which are the subject of such Contract of Sale.

4.4 It is understood that the Underwriter may prepare and provide to prospective investors certain Free Writing Prospectuses, subject to the following conditions:

(a) Unless preceded or accompanied by a prospectus satisfying the requirements of Section 10(a) of the Act, the Underwriter shall not convey or deliver any Written Communication to any person in connection with the initial offering of the Certificates, unless such Written Communication (i) is made in reliance on Rule 134 under the Act, (ii) constitutes a prospectus satisfying the requirements of Rule 430B under the Act or (iii) constitutes a Free Writing Prospectus (as defined in Section 1.1(c) above) consisting solely of (x) information of a type included within the definition of ABS Informational and Computational Materials (as defined below), (y) Permitted Additional Materials or (z) information accurately extracted from the Preliminary Prospectus Supplement or any Issuer Free Writing Prospectus and included in any Underwriter Prepared Issuer FWP or any Underwriter Free Writing Prospectus.

(b) The Underwriter shall comply with all applicable laws and regulations in connection with the use of Free Writing Prospectuses, including but not limited to Rules 164 and 433 of the 1933 Act Regulations and all Commission guidance

relating to Free Writing Prospectuses, including but not limited to Commission Release No. 33-8591.

(c) It is understood and agreed that all information provided by the Underwriter to or through Bloomberg or Intex or similar entities for use by prospective investors, or imbedded in any CDI file provided to prospective investors, or in any email or other electronic message provided to prospective investors, to the extent constituting a Free Writing Prospectus, shall be deemed for purposes of this Agreement to be an Underwriter Free Writing Prospectus prepared by the Underwriter and shall not be subject to the required consent of the Company set forth in the third sentence in Section 4.4(e). In connection therewith, the Underwriter agrees that it shall not provide any information constituting Issuer Information through the foregoing media unless (i) such information or substantially similar information is contained either in an Issuer Free Writing Prospectus or in an Underwriter Prepared Issuer FWP in compliance with Section 4.4(e) or (ii) to the extent such information consists of the terms of the Certificates, the final version of the terms of the Certificates or substantially similar information is contained either in an Issuer Free Writing Prospectus or in an Underwriter Prepared Issuer FWP in compliance with Section 4.4(e) prepared by the Underwriter.

(d) All Free Writing Prospectuses provided to prospective investors, whether or not filed with the Commission, shall bear a legend including the following statement (or a substantially similar statement approved by the Company):

“THE DEPOSITOR HAS FILED A REGISTRATION STATEMENT (INCLUDING A PROSPECTUS) WITH THE SECURITIES AND EXCHANGE COMMISSION (THE SEC) FOR THE OFFERING TO WHICH THIS COMMUNICATION RELATES. BEFORE YOU INVEST, YOU SHOULD READ THE PROSPECTUS IN THAT REGISTRATION STATEMENT AND OTHER DOCUMENTS THE DEPOSITOR HAS FILED WITH THE SEC FOR MORE COMPLETE INFORMATION ABOUT THE DEPOSITOR AND THE OFFERING. YOU MAY GET THESE DOCUMENTS AT NO CHARGE BY VISITING EDGAR ON THE SEC WEB SITE AT WWW.SEC.GOV. ALTERNATIVELY, THE DEPOSITOR, ANY UNDERWRITER OR ANY DEALER PARTICIPATING IN THE OFFERING WILL ARRANGE TO SEND YOU THE PROSPECTUS AT NO CHARGE IF YOU REQUEST IT BY CALLING TOLL-FREE 1-8[XX-XXX-XXXX] OR VIA EMAIL AT _____.”

The Underwriter and the Company shall have the right to request additional specific legends or notations to appear on any Free Writing Prospectus and shall have the right to require changes regarding the use of terminology and the right to determine the types of

information appearing therein with the approval of the Underwriter or the Company, as applicable (which shall not be unreasonably withheld).

(e) The Underwriter shall deliver to the Company and its counsel (in such format as reasonably required by the Company), prior to the proposed date of first use thereof, (unless such timing requirement is waived by the Company), any Underwriter Prepared Issuer FWP (as defined above). To facilitate filing to the extent required by Section 5.10 or 5.11, as applicable, all Underwriter Derived Information shall be set forth in a document separate from any Underwriter Prepared Issuer FWP including Issuer Information. Consent to use of any Underwriter Prepared Issuer FWP must be given by the Company in written or electronic format before the Underwriter provides the Underwriter Prepared Issuer FWP to investors pursuant to the terms of this Agreement. Notwithstanding the foregoing, the Underwriter shall not be required to deliver or obtain consent to use an Underwriter Prepared Issuer FWP to the extent that it does not contain substantive changes from or additions to any Underwriter Prepared Issuer FWP previously approved by the Company. In the event that the Underwriter uses any Underwriter Prepared Issuer FWP without complying with the foregoing requirements, that Underwriter Prepared Issuer FWP shall be deemed to be an Underwriter Free Writing Prospectus for purposes of Section 7.1 and 7.2.

(f) The Underwriter shall provide the Company with a letter from Deloitte & Touche LLP, certified public accountants, prior to the Closing Date, satisfactory in form and substance to the Company, Residential Funding and their respective counsels and the Underwriter, to the effect that such accountants have performed certain specified procedures, all of which have been agreed to by the Company and the Underwriter, as a result of which they determined that certain information of an accounting, financial or statistical nature that is included in any Underwriter Prepared Issuer FWP prepared by the Underwriter, other than any Pool Information therein and any information accurately extracted from the Preliminary Prospectus Supplement or any Issuer Free Writing Prospectus and included in such Underwriter Prepared Issuer FWP, is accurate except as to such matters that are not deemed by the Company and the Underwriter to be material. The foregoing letter shall be at the expense of the Underwriter.

(g) None of the information in any Free Writing Prospectus may conflict with the information then contained in the Registration Statement or any prospectus or prospectus supplement that is a part thereof.

(h) The Company shall not be obligated to file any Issuer Free Writing Prospectuses that have been determined to contain any material error or omission unless such Issuer Free Writing Prospectus has been provided to a prospective investor, in which case, the Underwriter shall cooperate with the Company to prepare a corrective Issuer Free Writing Prospectus that the Underwriter will provide to any such prospective investor and the Company shall file to the extent required herein. In the event that the Underwriter becomes aware that, as of the date on which an investor entered into a Contract of Sale, any Free Writing Prospectus prepared by or on behalf of the Underwriter and delivered to such investor contained any untrue statement of a material

fact or omitted to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading (such Free Writing Prospectus, a "Defective Free Writing Prospectus"), the Underwriter shall notify the Company thereof as soon as practical but in any event within one business day after discovery.

(i) If the Underwriter does not provide any Free Writing Prospectuses to the Company pursuant to subsection (e) above, the Underwriter shall be deemed to have represented, as of the Closing Date, that it did not provide any prospective investors with any information in written or electronic form in connection with the offering of the Certificates that would constitute an Underwriter Prepared Issuer FWP.

(j) In the event of any delay in the delivery by the Underwriter to the Company of any Underwriter Prepared Issuer FWP required to be delivered in accordance with subsection (e) above, or in the delivery of the accountant's comfort letter in respect thereof pursuant to subsection (f) above, the Company shall have the right to delay the release of the Prospectus to investors or to the Underwriter, to delay the Closing Date and to take other appropriate actions in each case as necessary in order to allow the Company to comply with its agreement set forth in Section 5.10 to file such Underwriter Prepared Issuer FWP by the time specified therein.

(k) The Underwriter represents that it has in place, and covenants that it shall maintain, internal controls and procedures which it reasonably believes to be sufficient to ensure full compliance with all applicable legal requirements of the 1933 Act Regulations with respect to the generation and use of Free Writing Prospectuses in connection with the offering of the Certificates. In addition, the Underwriter shall, for a period of at least three years after the date hereof, maintain written and/or electronic records of the following:

(i) any Free Writing Prospectus used by the Underwriter to solicit offers to purchase Certificates to the extent not filed with the Commission;

(ii) regarding each Free Writing Prospectus delivered by the Underwriter to an investor, the date of such delivery and identity of such investor; and

(iii) regarding each Contract of Sale entered into by the Underwriter, the date, identity of the investor and the terms of such Contract of Sale, as set forth in the related confirmation of trade.

(l) The Underwriter covenants with the Company that after the final Prospectus is available the Underwriter shall not distribute any written information concerning the Certificates to a prospective investor unless such information is preceded or accompanied by the final Prospectus. It is understood and agreed that the use of written information in accordance with the preceding sentence is not a Free Writing Prospectus and is not otherwise restricted or governed in any way by this Agreement.

(m) The Underwriter shall not use any Free Writing Prospectus in connection with the solicitation of offers to purchase Certificates from any prospective investor in a class of Certificates with denominations of less than \$25,000 or otherwise designated as a "retail" class of Certificates, and the Underwriter shall not authorize any such use of any Free Writing Prospectus by any dealer that purchases any such Certificates from the Underwriter.

4.5 The Underwriter further agrees that on or prior to the sixth day after the Closing Date, it shall provide the Company with a certificate, substantially in the form of Exhibit G attached hereto, setting forth (i) in the case of each class of Certificates, (a) if less than 10% of the aggregate certificate principal balance of such class of Certificates has been sold to the public as of such date, the value calculated pursuant to clause (b)(iii) of Exhibit G hereto, or, (b) if 10% or more of such class of Certificates has been sold to the public as of such date but no single price is paid for at least 10% of the aggregate certificate principal balance of such class of Certificates, then the weighted average price at which the Certificates of such class were sold expressed as a percentage of the certificate principal balance of such class of Certificates sold, or (c) the first single price at which at least 10% of the aggregate certificate principal balance of such class of Certificates was sold to the public, (ii) the prepayment assumption used in pricing each class of Certificates, and (iii) such other information as to matters of fact as the Company may reasonably request to enable it to comply with its reporting requirements with respect to each class of Certificates to the extent such information can in the good faith judgment of the Underwriter be determined by it.

4.6 The Underwriter agrees that (i) if the Prospectus is not delivered with the confirmation in reliance on Rule 172, it will include in every confirmation sent out by the Underwriter the notice required by Rule 173 informing the investor that the sale was made pursuant to the Registration Statement and that the investor may request a copy of the Prospectus from the Underwriter; (ii) if a paper copy of the Prospectus is requested by a person who receives a confirmation, the Underwriter shall deliver a printed or paper copy of such Prospectus; and (iii) if an electronic copy of the Prospectus is delivered by the Underwriter for any purpose, such copy shall be the same electronic file containing the Prospectus in the identical form transmitted electronically to the Underwriter by or on behalf of the Company specifically for use by the Underwriter pursuant to this Section 4.6; for example, if the Prospectus is delivered to the Underwriter by or on behalf of the Company in a single electronic file in pdf format, then the Underwriter will deliver the electronic copy of the Prospectus in the same single electronic file in pdf format. The Underwriter further agrees that (i) if it delivers to an investor the Prospectus in pdf format, upon the Underwriter's receipt of a request from the investor within the period for which delivery of the Prospectus is required, the Underwriter will promptly deliver or cause to be delivered to the investor, without charge, a paper copy of the Prospectus and (ii) it will provide to the Company any Underwriter Prepared Issuer FWP, or portions thereof, which the Company is required to file with the Commission in electronic format and will use reasonable efforts to provide to the Company such Underwriter Prepared Issuer FWP, or portions thereof, in either Microsoft Word® or Microsoft Excel® format and not in pdf format, except to the extent that the Company, in its sole discretion, waives such requirements.

5. Agreements. The Company and the Underwriter agree as follows:

5.1 Before amending or supplementing the Registration Statement or the Prospectus with respect to the Certificates, the Company will furnish you with a copy of each such proposed amendment or supplement.

5.2 The Company will cause the Preliminary Prospectus and Prospectus Supplement to be transmitted to the Commission for filing pursuant to Rule 424(b) under the Act by means reasonably calculated to result in filing with the Commission pursuant to said rule.

5.3 If, during the period after the first date of the public offering of the Certificates in which a prospectus relating to the Certificates is required to be delivered under the Act, any event occurs as a result of which it is necessary to amend or supplement the Prospectus, as then amended or supplemented, in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if it shall be necessary to amend or supplement the Prospectus to comply with the Act or the 1933 Act Regulations, the Company promptly will prepare and furnish, at its own expense, to you, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law.

5.4 If the Company or the Underwriter determines or becomes aware that any Written Communication (including without limitation any Approved Offering Materials) or oral statement (when considered in conjunction with all information conveyed at the time of Contract of Sale) made or prepared by the Company or the Underwriter contains an untrue statement of material fact or omits to state a material fact necessary to make the statements, in light of the circumstances under which they were made, not misleading at the time that a Contract of Sale was entered into, either the Company or the Underwriter may prepare corrective information with notice to the other party, and the Underwriter shall deliver such information in a manner reasonably acceptable to both parties, to any person with whom a Contract of Sale was entered into based on such written communication or oral statement and such information shall provide any such person with the following:

- (a) Adequate disclosure of the contractual arrangement;
- (b) Adequate disclosure of the person's rights under the existing Contract of Sale at the time termination is sought;
- (c) Adequate disclosure of the new information that is necessary to correct the misstatements or omissions in the information given at the time of the original Contract of Sale; and
- (d) A meaningful ability to elect to terminate or not terminate the prior Contract of Sale and to elect to enter into or not enter into a new Contract of Sale.

Any costs incurred to the investor in connection with any such termination or reformation shall be subject to Sections 7.1 and 7.2, as applicable.

5.5 The Company will furnish to the Underwriter, without charge, a copy of the Registration Statement (including exhibits thereto) and, so long as delivery of a prospectus by an underwriter or dealer may be required by the Act, as many copies of the Prospectus, any documents incorporated by reference therein and any amendments and supplements thereto as the Underwriter may reasonably request; provided, however, that if the Prospectus is not delivered with the confirmation in reliance on Rule 172 by the Underwriter, the Underwriter will provide the notice specified in Section 4.6 in every confirmation and will deliver a paper copy of the prospectus to those investors that request a paper copy thereof.

5.6 The Company agrees, so long as the Certificates shall be outstanding, or until such time as the Underwriter shall cease to maintain a secondary market in the Certificates, whichever first occurs, to deliver to the Underwriter the annual statement as to compliance delivered to the Trustee pursuant to Section 3.18 of the Pooling and Servicing Agreement and the annual statement of a firm of independent public accountants furnished to the Trustee pursuant to Section 3.19 of the Pooling and Servicing Agreement, as soon as such statements are furnished to the Company.

5.7 The Company will endeavor to arrange for the qualification of the Certificates for sale under the laws of such jurisdictions as you may reasonably designate and will maintain such qualification in effect so long as required for the initial distribution of the Certificates; provided, however, that the Company shall not be required to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to general or unlimited service of process in any jurisdiction where it is not now so subject.

5.8 If the transactions contemplated by this Agreement are consummated, the Company or Residential Funding will pay or cause to be paid all expenses incident to the performance of the obligations of the Company and Residential Funding under this Agreement, and will reimburse you for any reasonable expenses (including reasonable fees and disbursements of counsel) reasonably incurred by you in connection with qualification of the Certificates for sale and determination of their eligibility for investment under the laws of such jurisdictions as you have reasonably requested pursuant to Section 5.7 above and the printing of memoranda relating thereto, for any fees charged by investment rating agencies for the rating of the Certificates, and for expenses incurred in distributing the Prospectus (including any amendments and supplements thereto) to the Underwriter. Except as herein provided, you shall be responsible for paying all costs and expenses incurred by you, including the fees and disbursements of your counsel, in connection with the purchase and sale of the Certificates.

5.9 If, during the period after the Closing Date in which a prospectus relating to the Certificates is required to be delivered under the Act, the Company receives notice that a stop order suspending the effectiveness of the Registration Statement or preventing the offer and sale of the Certificates is in effect, the Company will advise you of the issuance of such stop order.

5.10 The Company shall file any Issuer Free Writing Prospectus, and any Underwriter Prepared Issuer FWP provided to it by the Underwriter under Section 4.4, not later than the date of first use thereof, except that:

(a) any Issuer Free Writing Prospectus or Underwriter Prepared Issuer FWP or portion thereof otherwise required to be filed that contains only (1) a description of the final terms of the Certificates may be filed by the Company within two days of the later of the date such final terms have been established for all classes of Certificates and the date of first use, and (2) a description of the terms of the Certificates that does not reflect the final terms after they have been established for all classes of all Certificates is not required to be filed; and

(b) if the Issuer Free Writing Prospectus or Underwriter Prepared Issuer FWP includes only information of a type included in the definition of ABS Informational and Computational Materials, the Company shall file the same within the later of two business days after the Underwriter first provides this information to investors and the date upon which the Company is required to file the Prospectus Supplement with the Commission pursuant to Rule 424(b)(3) of the Act.

provided further, that prior to the filing of any Underwriter Prepared Issuer FWP by the Company, the Underwriter must comply with its obligations pursuant to Section 4.4 and that the Company shall not be required to file any Free Writing Prospectus prepared by the Underwriter to the extent such Free Writing Prospectus includes information in a Free Writing Prospectus, Preliminary Prospectus or Prospectus previously filed with the Commission or that does not contain substantive changes from or additions to a Free Writing Prospectus previously filed with the Commission.

5.11 The Underwriter shall file any Underwriter Free Writing Prospectus that has been distributed by the Underwriter in a manner reasonably designed to lead to its broad, unrestricted dissemination within the later of two business days after the Underwriter first provides this information to investors and the date upon which the Company is required to file the Prospectus Supplement with the Commission pursuant to Rule 424(b)(3) of the Act or otherwise as required under Rule 433 of the Act; provided, however, that the Underwriter shall not be required to file any Underwriter Free Writing Prospectus to the extent such Underwriter Free Writing Prospectus includes information in a Free Writing Prospectus, Preliminary Prospectus or Prospectus previously filed with the Commission or that does not contain substantive changes from or additions to a Free Writing Prospectus previously filed with the Commission.

5.12 The Company acknowledges and agrees that the Underwriter is acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of securities contemplated hereby (including in connection with determining the terms of the offering) and not as a fiduciary to, or an agent of, the Company or any other person. Additionally, the Underwriter is not advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriter shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriter of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriter and shall not be on behalf of the Company.

6. Conditions to the Obligations of the Underwriter. The Underwriter's obligation to purchase the Certificates shall be subject to the following conditions:

6.1 No stop order suspending the effectiveness of the Registration Statement shall be in effect, and no proceedings for that purpose shall be pending or, to the knowledge of the Company, threatened by the Commission; and the Prospectus Supplement shall have been filed or transmitted for filing by means reasonably calculated to result in a filing with the Commission pursuant to Rule 424(b) under the Act.

6.2 Since February 1, 2007 there shall have been no material adverse change (not in the ordinary course of business) in the condition of the Company or Residential Funding.

6.3 The Company shall have delivered to you a certificate, dated the Closing Date, of the President, a Senior Vice President or a Vice President of the Company to the effect that the signer of such certificate has examined this Agreement, the Approved Offering Materials, the Prospectus, the Pooling and Servicing Agreement and various other closing documents, and that, to the best of his or her knowledge after reasonable investigation:

(a) the representations and warranties of the Company in this Agreement and in the Pooling and Servicing Agreement are true and correct in all material respects; and

(b) the Company has, in all material respects, complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date.

6.4 Residential Funding shall have delivered to you a certificate, dated the Closing Date, of the President, a Managing Director, a Director or an Associate of Residential Funding to the effect that the signer of such certificate has examined the Pooling and Servicing Agreement and this Agreement and that, to the best of his or her knowledge after reasonable investigation, the representations and warranties of Residential Funding contained in the Pooling and Servicing Agreement and in this Agreement are true and correct in all material respects.

6.5 You shall have received the opinions of Mayer, Brown, Rowe & Maw LLP, special counsel for the Company and Residential Funding, dated the Closing Date and substantially to the effect set forth in Exhibits A-1, A-2 and A-3, and the opinion of Julianne M. Linder, associate counsel for the Company and Residential Funding, dated the Closing Date and substantially to the effect set forth in Exhibit B.

6.6 You shall have received a negative assurance letter regarding the Preliminary Prospectus and Prospectus from Sidley Austin LLP in form satisfactory to you.

6.7 You shall have received from Deloitte & Touche LLP, certified public accountants, (a) a letter dated the date hereof and satisfactory in form and substance to you and your counsel, to the effect that they have performed certain specified procedures, all of which have been agreed to by the you, as a result of which they determined that certain information of an accounting, financial or statistical nature set forth in the Prospectus Supplement under the

captions "Description of the Mortgage Pool", "Pooling and Servicing Agreement", "Description of the Certificates" and "Certain Yield and Prepayment Considerations" agrees with the records of the Company and Residential Funding excluding any questions of legal interpretation and (b) the letter prepared pursuant to Section 4.4(e).

6.8 The Class A-1, Class A-2, Class A-3, Class A-4 and Class A-5 Certificates shall each have been rated "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("S&P"). The Class M-1 Certificates shall have been rated "Aa1" by Moody's and "AAA" by S&P. The Class M-2 Certificates shall have been rated "Aa2" by Moody's and "AA+" by S&P. The Class M-3 Certificates shall have been rated "Aa3" by Moody's and "AA+" by S&P. The Class M-4 Certificates shall have been rated "A1" by Moody's and "AA" by S&P. The Class M-5 Certificates shall have been rated "A2" by Moody's and "AA" by S&P. The Class M-6 Certificates shall have been rated "A3" by Moody's and "AA-" by S&P. The Class M-7 Certificates shall have been rated "Baa1" by Moody's and "A+" by S&P. The Class M-8 Certificates shall have been rated "Baa2" by Moody's and "A" by S&P. The Class M-9 Certificates shall have been rated "Baa3" by Moody's and "BBB+" by S&P. The Class M-10 Certificates shall have been rated "Ba1" by Moody's and "BBB-" by S&P.

6.9 You shall have received the opinion of Kennedy Covington Lobdell & Hickman, LLP, counsel to the Trustee, dated the Closing Date, substantially to the effect set forth in Exhibit C.

6.10 You shall have received the opinion of Faegre & Benson, LLP, special Minnesota tax counsel for the Company, dated the Closing Date, substantially to the effect set forth in Exhibit D.

6.11 You shall have received from Julianne M. Linder, associate counsel to the Company, a reliance letter with respect to any opinions delivered to the rating agencies, or you shall have been listed as an addressee on any such opinions.

The Company will furnish you with conformed copies of the above opinions, certificates, letters and documents as you reasonably request.

7. Indemnification and Contribution.

7.1 The Company and Residential Funding, jointly and severally, agree to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter within the meaning of either Section 15 of the Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all losses, claims, damages and liabilities (i) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement for the registration of the Certificates as originally filed or in any amendment thereof or other filing incorporated by reference therein, or in the Approved Offering Materials or the Prospectus or incorporated by reference therein (if used within the period set forth in Section 5.3 hereof and as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or

necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (ii) caused by any untrue statement or alleged untrue statement of a material fact contained in any Issuer Free Writing Prospectus, or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (iii) caused by any untrue statement of a material fact or alleged untrue statement of a material fact contained in (x) any Underwriter Prepared Issuer FWP or any Underwriter Free Writing Prospectus or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, that in either case was caused by any error or omission in any Pool Information or (y) any information accurately extracted from the Preliminary Prospectus Supplement or any Issuer Free Writing Prospectus and included in any Underwriter Prepared Issuer FWP or Underwriter Free Writing Prospectus; except insofar as such losses, claims, damages, or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon any information with respect to which the Underwriter has agreed to indemnify the Company pursuant to clause (i) of Section 7.2; provided, however, that none of the Company, Residential Funding or the Underwriter will be liable in any case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein relating to the Excluded Information.

7.2 The Underwriter agrees to indemnify and hold harmless the Company, Residential Funding, their respective directors or officers and any person controlling the Company or Residential Funding within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (i) caused by any untrue statement or alleged untrue statement of material fact contained in the Underwriter Information as it relates to the Underwriter, or any omission or alleged omission to state therein any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) caused by any untrue statement or alleged untrue statement of material fact contained in any Underwriter Free Writing Prospectus prepared by the Underwriter, or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (iii) caused by any untrue statement or alleged untrue statement of material fact contained in any Underwriter Prepared Issuer FWP prepared by the Underwriter (except for any information accurately extracted from the Preliminary Prospectus Supplement or any Issuer Free Writing Prospectus and included in such Underwriter Prepared Issuer FWP), or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (iv) caused by any Underwriter Prepared Issuer FWP prepared by the Underwriter for which the conditions set forth in Section 4.4(e) above are not satisfied with respect to the prior consent by the Company, and (v) resulting from the Underwriter's failure to comply with Section 4.3 or failure to file any Underwriter Free Writing Prospectus required to be filed in accordance with Section 5.11; provided, however, that the indemnification set forth in clauses (ii) and (iii) of this Section 7.2 shall not apply to the extent of any error or omission in any Underwriter Prepared Issuer FWP or any Underwriter Free Writing Prospectus prepared by the Underwriter that was caused by any error or omission in any Pool Information unless the Underwriter has failed to comply with Section 4.3 and such error was corrected in the Approved Offering Materials; provided, further,

that none of the Company, Residential Funding or you will be liable in any case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein relating to the Excluded Information. In addition, the Underwriter agrees to indemnify and hold harmless the Company, Residential Funding, their respective directors or officers and any person controlling the Company or Residential Funding against any and all losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) caused by, resulting from, relating to, or based upon any legend regarding original issue discount on any Certificate resulting from incorrect information provided by the Underwriter in the certificates described in Section 4.5 hereof.

7.3 In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either Section 7.1 or Section 7.2, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the reasonable fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm for all such indemnified parties. Such firm shall be designated in writing by you, in the case of parties indemnified pursuant to Section 7.1 and by the Company or Residential Funding, in the case of parties indemnified pursuant to Section 7.2. The indemnifying party may, at its option, at any time upon written notice to the indemnified party, assume the defense of any proceeding and may designate counsel reasonably satisfactory to the indemnified party in connection therewith provided that the counsel so designated would have no actual or potential conflict of interest in connection with such representation. Unless it shall assume the defense of any proceeding the indemnifying party shall not be liable for any settlement of any proceeding, effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. If the indemnifying party assumes the defense of any proceeding, it shall be entitled to settle such proceeding with the consent of the indemnified party or, if such settlement provides for release of the indemnified party in connection with all matters relating to the proceeding which have been asserted against the indemnified party in such proceeding by the other parties to such settlement, without the consent of the indemnified party.

7.4 If the indemnification provided for in this Section 7 is unavailable to an indemnified party under Section 7.1 or Section 7.2 hereof or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the indemnifying party, in lieu of

indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities, in such proportion as is appropriate to reflect not only the relative benefits received by the Company and Residential Funding on the one hand and the Underwriter on the other from the offering of the Certificates but also the relative fault of the Company or Residential Funding on the one hand and of the Underwriter on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and Residential Funding on the one hand and of the Underwriter on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriter, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

7.5 The Company, Residential Funding and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the considerations referred to in Section 7.4 above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in this Section 7 shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim except where the indemnified party is required to bear such expenses pursuant to Section 7.4; which expenses the indemnifying party shall pay as and when incurred, at the request of the indemnified party, to the extent that the indemnifying party believes that it will be ultimately obligated to pay such expenses. In the event that any expenses so paid by the indemnifying party are subsequently determined to not be required to be borne by the indemnifying party hereunder, the party which received such payment shall promptly refund the amount so paid to the party which made such payment. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7.6 The indemnity and contribution agreements contained in this Section 7 and the representations and warranties of the Company and Residential Funding in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by the Underwriter or on behalf of the Underwriter or any person controlling the Underwriter or by or on behalf of the Company or Residential Funding and their respective directors or officers or any person controlling the Company or Residential Funding and (iii) acceptance of and payment for any of the Certificates.

8. Termination. This Agreement shall be subject to termination by notice given to the Company and Residential Funding, if the sale of the Certificates provided for herein is not consummated because of any failure or refusal on the part of the Company or Residential Funding to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company or Residential Funding shall be unable to perform their respective obligations under this Agreement. If you terminate this Agreement in accordance with this Section 8, the Company or Residential Funding will reimburse you for all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) that

shall have been reasonably incurred by the Underwriter in connection with the proposed purchase and sale of the Certificates.

9. Certain Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company, Residential Funding, the Underwriter or the officers of any of the Company, Residential Funding, and the Underwriter set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by the Underwriter or on its behalf or made by or on behalf of the Company or Residential Funding or any of their respective officers, directors or controlling persons, and will survive delivery of and payment for the Certificates.

10. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Underwriter will be mailed, delivered or telegraphed and confirmed to the Underwriter at Deutsche Bank Securities Inc. 60 Wall Street, 19th Floor, New York, New York 10005, Attention: Susan Valenti, or if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at Residential Asset Mortgage Products, Inc., 8400 Normandale Lake Boulevard, Suite 250, Minneapolis, Minnesota 55437, Attention: President; or, if sent to Residential Funding will be mailed, delivered or telegraphed and confirmed to it at Residential Funding Company, LLC, 8400 Normandale Lake Boulevard, Suite 250, Minneapolis, Minnesota 55437, Attention: President.

11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7 hereof, and their successors and assigns, and no other person will have any right or obligation hereunder.

12. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of law principles thereof, other than Sections 5-1401 and 5-1402 of the New York General Obligations Law.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, which taken together shall constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company, Residential Funding and you.

Very truly yours,

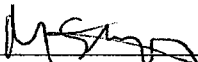
**RESIDENTIAL ASSET MORTGAGE
PRODUCTS, INC.**

By: 

Name: Tim Jacobson

Title: Vice President

RESIDENTIAL FUNDING COMPANY, LLC

By: 

Name: Marguerite Steffes

Title: Associate

The foregoing Underwriting Agreement
is hereby confirmed and accepted as of
the date first above written.

DEUTSCHE BANK SECURITIES INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company, Residential Funding and you.

Very truly yours,

**RESIDENTIAL ASSET MORTGAGE
PRODUCTS, INC.**

By: _____

Name: Tim Jacobson

Title: Vice President

RESIDENTIAL FUNDING COMPANY, LLC

By: _____

Name: Marguerite Steffes

Title: Associate

The foregoing Underwriting Agreement
is hereby confirmed and accepted as of
the date first above written.

DEUTSCHE BANK SECURITIES INC.

By: _____

Name: _____

Title: _____

SUSAN VALENTI
DIRECTOR

By: _____

Name: _____

Title: _____

ERNIE CALABRESE
DIRECTOR

EXHIBIT C

**RESIDENTIAL FUNDING COMPANY, LLC,
the Company**

and

**DB STRUCTURED PRODUCTS, INC.,
the Initial Owner**

**AMENDED AND RESTATED STANDARD TERMS AND PROVISIONS OF
SALE AND SERVICING AGREEMENT**

Dated as of August 22, 2005, as amended and restated to and including December 1, 2006

Residential Mortgage Loans

First and Second Liens

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Exhibits

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Exhibit Three Form of Custodian Final Certification

Exhibit C Reserved

Exhibit D Reserved

Exhibit E Form of Assignment and Assumption Agreement

Exhibit F Form of Certification

Exhibit G Form of Request for Release

Exhibit H Form of Back-Up Certification

Exhibit I Reserved

Exhibit J Assistant Secretary's Certificate

Exhibit K Form of Opinion of Counsel

Exhibit L Form of Back-Up Certification

Exhibit M Servicing Criteria to be Addressed in Assessment of Compliance

This is an AMENDED AND RESTATED STANDARD TERMS AND PROVISIONS OF SALE AND SERVICING AGREEMENT, Residential Mortgage Loans, dated and effective as of August 22, 2005, as amended and restated to and including December 1, 2006, by and between RESIDENTIAL FUNDING COMPANY, LLC, as seller and master servicer (the "Company") and DB STRUCTURED PRODUCTS, INC., as the initial owner (the "Initial Owner"), together with all amendments hereof and supplements hereto (as it pertains to the Mortgage Pool and as incorporated by reference in and made a part of the Reference Agreement (as defined below), the "Agreement".

PRELIMINARY STATEMENT

The Initial Owner has agreed to purchase from time to time from the Company and the Company has agreed to sell to the Initial Owner, on a servicing retained basis and without recourse (subject to the terms of the Agreement), a 100% undivided Ownership Interest in pools of fixed rate or adjustable rate first and second lien Mortgage Loans. Each pool of Mortgage Loans will have the characteristics set forth herein and in the Reference Agreement, a form of which is attached as Exhibit A hereto (each, a "Reference Agreement"). The sale of the Mortgage Loans in each Mortgage Pool will be governed by the Reference Agreement together with this Agreement, which will be incorporated by reference into and made a part of the Reference Agreement.

In consideration of the premises and the mutual agreements hereinafter set forth, and intending to be legally bound, the Initial Owner and the Company agree hereby as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the meanings specified in this Article.

Accrued Interest: With respect to each Remittance Date, one month's interest accrued at the then applicable Pass-Through Rate on the aggregate Principal Balance of the Mortgage Loans in the Mortgage Pool as of the close of business on the immediately preceding Remittance Date (or in the case of the first Remittance Date, the Cut-off Date). Accrued Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. In each case Accrued Interest will be adjusted in accordance with Section 1.02.

Acquisition Date: As defined in Section 3.15.

Adjustable Rate Mortgage Loan: A Mortgage Loan that provides for adjustment to the Mortgage Interest Rate applicable thereto on each Adjustment Date as set forth in the related Mortgage Note.

Adjustment Date: As to each Mortgage Loan, each date set forth in the related Mortgage Note on which an adjustment to the interest rate on such Mortgage Loan becomes effective.

Agency or Agencies: Fannie Mae and/or Freddie Mac.

Appraised Value: With respect to any Mortgaged Property, generally, the lesser of (a) the appraised value of such Mortgaged Property based on an appraisal made at the time of the origination or modification of the related Mortgage Loan and (b) the sales price of the Mortgaged Property at such time of origination; except in the case of a Mortgaged Property securing a refinanced or modified Mortgage Loan as to which it is either the appraised value determined above or the appraised value determined in an appraisal at the time of refinancing or modification, as the case may be.

Appraiser Requirements: Any appraiser that (i) is licensed or certificated in the jurisdiction where the related Mortgaged Property is located, (ii) satisfies the independent appraiser requirements for staff appraisers or, as appropriate, fee appraisers specified by (a) Fannie Mae and Freddie Mac and (b) the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the FDIC and the Office of Thrift Supervision with their respective real estate appraisal regulations adopted in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (regardless of whether the Company is subject to those regulations), (iii) is experienced in the appraisal of properties similar to the type of properties subject to the appraisal, (iv) is actively engaged as an appraiser of residential properties and (v) subscribes to a code of ethics that is at least as strict as the code of the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers.

Assignment: An assignment of the Mortgage, notice of transfer or equivalent instrument sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to reflect of record the sale of the Mortgage.

Bankruptcy Code: The United States Bankruptcy Code, Title 11 of the United States Code, as amended.

Business Day: Any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the State of New York, State of Minnesota, the State of California or the State of Illinois (or such other state or states in which the Custodial Account is at the time located) are required or authorized by law or executive order to be closed.

Buydown Funds: Any amount contributed by the seller of a Mortgaged Property, the Company or other source in order to enable the Mortgagor to reduce the payments required to be made from the Mortgagor's funds in the early years of a Mortgage Loan.

Buydown Mortgage Loan: Any Mortgage Loan as to which a specified amount of interest is paid out of related Buydown Funds in accordance with a related buydown agreement.

Cash Receipts: As defined in Section 3.15.

Closing Date: As defined in the Reference Agreement.

Code: The Internal Revenue Code of 1986.

Combined Loan-to-Value Ratio: The fraction, expressed as a percentage, the numerator of which is the principal balance of all mortgage loans with respect to a Mortgaged

Property at the date of determination and the denominator of which is the Appraised Value of the related Mortgaged Property.

Commission: The United States Securities and Exchange Commission.

Company: Residential Funding Company, LLC, a Delaware corporation, or its successor in interest, or any successor as herein provided.

Company Information: As defined in Section 9.07(a).

Compensating Interest: With respect to any Remittance Date, an amount equal to Prepayment Interest Shortfalls resulting from Full Prepayments during the related Prepayment Period and Partial Prepayments during the prior calendar month, but not more than the lesser of (a) one-twelfth of 0.125% of the Principal Balance of the Mortgage Loans immediately preceding such Remittance Date and (b) the sum of the Servicing Fee and all income and gain on amounts held in the Custodial Account with respect to the Mortgage Loans and such Remittance Date.

Confidential Information: As defined in Section 2.06.

Consumer Information: Information including but not limited to all personal information about the Mortgagors that is supplied to any party to this Agreement on behalf of the Mortgagors.

Custodial Account: The custodial account created and maintained pursuant to Section 3.06.

Custodial Agreement: An agreement, substantially in the form of Exhibit B, providing for the custody of certain original documents relating to the Mortgage Loans.

Custodian: A custodian, which shall not be the Owner, appointed by the Company pursuant to a Custodial Agreement.

Cut-off Date: As defined in the Reference Agreement.

Debt-to-Income Ratio: With respect to any Mortgage Loan, the ratio of the related Mortgagor's total outstanding indebtedness as of the date of the origination of the related Mortgage Loan to the related Mortgagor's total gross income for the year immediately preceding the date of the origination of the related Mortgage Loan.

Debt Service Reduction: With respect to any Mortgage Loan, a reduction in the scheduled Monthly Payment for such Mortgage Loan by a court of competent jurisdiction in a proceeding under the Bankruptcy Code, except such a reduction constituting a Deficient Valuation or any reduction that results in a permanent forgiveness of principal.

Deficient Valuation: With respect to any Mortgage Loan, a valuation by a court of competent jurisdiction of the Mortgaged Property in an amount less than the then outstanding indebtedness under the Mortgage Loan, or any reduction in the amount of principal to be paid in

connection with any scheduled Monthly Payment that constitutes a permanent forgiveness of principal, which valuation or reduction results from a proceeding under the Bankruptcy Code.

Depositor: The depositor, as such term is defined in Regulation AB, with respect to any Securitization Transaction.

Determination Date: With respect to any Remittance Date, the second Business Day prior to such Remittance Date.

Due Date: With respect to any Remittance Date, the first day of the month in which such Remittance Date occurs.

Due Period: With respect to any Remittance Date, the period commencing on the second day of the month preceding the month of such Remittance Date and ending on the related Due Date.

Eligible Account: An account that is any of the following: (i) maintained with a depository institution the debt obligations of which have been rated by each Rating Agency in its highest rating available, or (ii) an account or accounts in a depository institution in which such accounts are fully insured to the limits established by the FDIC, provided that any deposits not so insured shall, to the extent acceptable to each Rating Agency, as evidenced in writing, be maintained such that (as evidenced by an Opinion of Counsel delivered to the Trustee and each Rating Agency) the beneficial owners have a claim with respect to the funds in such account or a perfected first security interest against any collateral (which shall be limited to Permitted Investments) securing such funds that is superior to claims of any other depositors or creditors of the depository institution with which such account is maintained, or (iii) in the case of the Custodial Account, a trust account or accounts maintained in the corporate trust department of U.S. Bank, National Association, or (iv) in the case of a certificate account, if any, a trust account or accounts maintained in the corporate trust division of the trustee, or (v) an account or accounts of a depository institution acceptable to each Rating Agency (as evidenced in writing by each Rating Agency that use of any such account as the Custodial Account or a certificate account, will not reduce the rating assigned to any class of certificates, if any, by such Rating Agency below the lower of the then-current rating or the rating assigned to such certificates as of the Closing Date by such Rating Agency).

ERISA: The Employee Retirement Income Security Act of 1974, as amended.

Event of Default: As defined in Section 6.01.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Fannie Mae: Federal National Mortgage Association, a federally chartered and privately owned corporation organized and existing under the Federal National Mortgage Association Charter Act, or any successor thereto.

Final Loan Listing: The electronic file delivered to the Initial Owner no less than one Business Day prior to the Closing Date and designated as the Final Loan Listing.

First Lien: With respect to each Mortgaged Property, the lien of the mortgage, deed of trust or other instrument securing a Mortgage Notes which creates a first lien on the Mortgaged Property.

Fitch: Fitch, Inc. or its successor in interest.

Freddie Mac: Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created and existing under Title III of the Emergency Home Finance Act of 1970, as amended, or any successor thereto.

Full Prepayment: Any payment of the entire principal balance of a Mortgage Loan which is received in advance of its scheduled Due Date and is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment.

Gross Margin: With respect to each Adjustable Rate Mortgage Loan, the fixed percentage amount set forth in the related Mortgage Note which amount is added to the Index in accordance with the terms of the related Mortgage Note to determine the Mortgage Interest Rate for such Mortgage Loan.

Index: With respect to each Adjustable Rate Mortgage Loan, the Index shall be the rate per annum as set forth in the Mortgage Loan Schedule and the related Mortgage Note with respect to each such Adjustable Rate Mortgage Loan.

Insurance Proceeds: Proceeds paid in respect of any Mortgage Loan pursuant to any insurance policy covering such Mortgage Loan to the extent such proceeds are payable to the mortgagee under the Mortgage, any Subservicer or the Company and are not applied to the restoration of the related Mortgaged Property or released to the Mortgagor in accordance with the procedures set forth in the Program Guide.

Insured Expenses: Expenses covered by any mortgage insurance policy, any replacement insurance policy or policies or any other insurance policy.

Interim Certification: As defined in Section 2.02.

Lender Paid Mortgage Insurance Policy or LPMI Policy: A policy of mortgage guaranty insurance issued by a Qualified Insurer in which the owner or servicer of the Mortgage Loan is responsible for the premiums associated with such mortgage insurance policy.

Liquidated Mortgage Loan: A Mortgage Loan as to which payment has been made to the Company of all Liquidation Proceeds and other payments or recoveries which the Company deems to be finally recoverable.

Liquidation Expenses: Expenses which are incurred by the Company in connection with the liquidation of any defaulted Mortgage Loan (to the extent such amount is reimbursable under the terms of this Agreement or the Program Guide) and not recovered by the Company under any insurance policy for reasons other than the Company's failure to comply with Section 3.09 or 3.10.

Liquidation Proceeds: Cash (including Insurance Proceeds and condemnation proceeds) received in connection with the liquidation of defaulted Mortgage Loans, whether through trustee's sale, condemnation, foreclosure sale or otherwise, net of Liquidation Expenses and Insured Expenses.

Loan-to-Value Ratio: As of any date, the fraction, expressed as a percentage, the numerator of which is the principal balance of the related Mortgage Loan at the date of determination and the denominator of which is the Appraised Value of the related Mortgaged Property.

Lifetime Interest Rate Cap: With respect to each Adjustable Rate Mortgage Loan as to which the related Mortgage Note provides for a lifetime interest rate cap, the absolute maximum Mortgage Interest Rate permitted over the life of such Mortgage Loan, above which the Mortgage Interest Rate shall not be adjusted, as provided in the related Mortgage Note, as set forth on the Mortgage Loan Schedule.

Master Servicer: With respect to any Securitization Transaction, the "master servicer," if any, identified in the related transaction documents.

MERS: Mortgage Electronic Registration Systems, Inc., a corporation organized and existing under the laws of the State of Delaware, or any successor thereto.

MERS® System: The system of recording transfers of Mortgages electronically maintained by MERS.

MIN: The Mortgage Identification Number of Mortgage Loans registered with MERS on the MERS® System.

MOM Loan: Any Mortgage Loan where MERS acts as the mortgagee of record of such Mortgage Loan, solely as nominee for the originator of such Mortgage Loan and its successors and assigns, at the origination thereof.

Monthly Advance: The aggregate of the advances made by the Company with respect to any Remittance Date pursuant to Section 4.03, the amount of any such Monthly Advance being equal to the aggregate of the principal portion of such Monthly Payments on the Mortgage Loans which were due on the related Due Date but extended pursuant to Section 3.03 or delinquent (in whole or in part) as of the close of business on the Business Day next preceding the related Remittance Date, plus the interest portion of such Monthly Payments adjusted to the related Mortgage Loan Remittance Rates, and less the amount of any advances which the Company has determined would constitute Nonrecoverable Monthly Advances, if made.

Monthly Payment: With respect to any Mortgage Loan, the scheduled monthly payment of principal and interest on such Mortgage Loan which is payable by a Mortgagor under the related Mortgage Note on each Due Date.

Moody's: Moody's Investors Service, Inc., or its successor in interest.

Mortgage: The mortgage, deed of trust or other instrument creating a first or second lien on a fee simple interest in real property securing a Mortgage Note.

Mortgage-Backed Securities: Any individual series of mortgage backed securities with respect to which a Reconstitution Agreement has been executed that evidence ownership of or debt secured by, one or more of the Mortgage Loans.

Mortgage File: The mortgage documents listed in Section 2.01 pertaining to a particular Mortgage Loan which shall be delivered to the Custodian, as the duly appointed agent of the Owner, or as otherwise agreed by the parties to this Agreement and the Custodian, if any, in writing, and any additional documents required to be added to the Mortgage File pursuant to this Agreement.

Mortgage Interest Rate: The annual rate at which interest accrues on any Mortgage Loan, as adjusted in the case of Adjustable Rate Mortgage Loans from time to time in accordance with the provisions of the related Mortgage Note. The Mortgage Interest Rate for each Mortgage Loan will be the rate indicated as the "CURR RATE" on the Mortgage Loan Schedule.

Mortgage Loan: An individual mortgage loan which is the subject of this Agreement and identified on the Mortgage Loan Schedule.

Mortgage Loan Remittance Rate: With respect to each Mortgage Loan, the rate per annum designated as the "PASSTHRU RATE" for such Mortgage Loan on the related Mortgage Loan Schedule.

Mortgage Loan Schedule: Each schedule of Mortgage Loans attached to a Reference Agreement as Exhibit A to such Reference Agreement.

Mortgage Note: The originally executed note evidencing the indebtedness of a Mortgagor under a Mortgage Loan and any modification thereto.

Mortgage Pool: Each pool of Mortgage Loans conveyed by the Company to the Initial Owner from time to time pursuant to an applicable Reference Agreement referencing this Agreement.

Mortgaged Property: The underlying property securing a Mortgage Loan.

Mortgagor: The obligor on a Mortgage Note.

Nonrecoverable Monthly Advance: Any Monthly Advance previously made or proposed to be made by the Company which, in the judgment of the Company, is not or, in the case of a proposed Monthly Advance, would not be ultimately recoverable by the Company from Liquidation Proceeds or otherwise.

Officer's Certificate: A certificate signed by the Chairman of the Board or the Vice Chairman of the Board or a President or a Vice President and by the Treasurer or the Secretary or one of the Assistant Treasurers or Assistant Secretaries of the Person on behalf of whom such certificate is being delivered.

Opinion of Counsel: A written opinion of counsel, who may, unless otherwise provided herein, be counsel for the Company.

Owner: Any Person from time to time having an Ownership Interest in the Mortgage Loans.

Ownership Interest: The undivided ownership interest in the Mortgage Pool.

Partial Prepayment: Any payment of principal on a Mortgage Loan, other than a Full Prepayment, which is received in advance of its scheduled Due Date and is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment.

Pass-Through Rate: As to any Remittance Date, a rate equal to the weighted average, expressed as a percentage, of the Mortgage Loan Remittance Rates of all Mortgage Loans in the Mortgage Pool as of the close of business on the Due Date in the month preceding the month in which such Remittance Date occurs, weighted on the basis of the respective Principal Balances of such Mortgage Loans, which Principal Balances shall be the Principal Balances of such Mortgage Loans immediately prior to such Remittance Date.

Periodic Interest Rate Cap: With respect to each Adjustable Rate Mortgage Loan, the provision of a Mortgage Note that provides for an absolute maximum amount by which the Mortgage Interest Rate therein may increase or decrease on an Adjustment Date above the Mortgage Interest Rate previously in effect, equal to the rate set forth in the Mortgage Loan Schedule, as applicable.

Permitted Instrument: As defined in Section 3.08.

Person: Any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Plan: As defined in Section 2.03.

Prepayment Charge: With respect to any Mortgage Loan, any prepayment penalty or premium thereon payable in connection with a principal prepayment on such Mortgage Loan pursuant to the terms of the related Mortgage Note.

Prepayment Interest Shortfall: As to any Remittance Date and any Mortgage Loan (other than a Mortgage Loan relating to an REO Property) that was the subject of (a) a Full Prepayment during the portion of the related Prepayment Period that falls during the prior calendar month, an amount equal to the excess of one month's interest at the Mortgage Loan Remittance Rate on the Principal Balance of such Mortgage Loan over the amount of interest (adjusted to the Mortgage Loan Remittance Rate) paid by the Mortgagor for such month to the date of such Full Prepayment or (b) a Partial Prepayment during the prior calendar month, an amount equal to one month's interest at the Mortgage Loan Remittance Rate on the amount of such Partial Prepayment.

Prepayment Period: As to any Remittance Date and a Full Prepayment, the prior calendar month.

Primary Insurance Policy: Each primary policy of mortgage guaranty insurance or any replacement policy thereof.

Principal Balance: As to each Mortgage Loan, as of the time of any determination, (i) the principal balance remaining to be paid by the Mortgagor at the close of business on the Cut-off Date, after deduction of all payments due on or before the Cut-off Date whether or not paid, minus (ii) all amounts distributed to the Owner with respect to such Mortgage Loan and reported to the Owner as allocable to principal, including the principal component of any Monthly Advances and any losses incurred with respect to such Mortgage Loan.

Principal Remittance Amount: With respect to any Remittance Date, the sum of (a) the principal component of any Monthly Advance for such Remittance Date; (b) any amount required to be deposited in the Custodial Account pursuant to Section 3.10(a); (c) any amount that the Company is not permitted to withdraw from the Custodial Account pursuant to Section 3.16; and (d) the amount on deposit in the Custodial Account as of the close of business on the Determination Date immediately preceding such Remittance Date which is allocable to payments on account of principal of the Mortgage Loans, which amount shall not include (i) Partial Prepayments and the principal portion of any Liquidation Proceeds, Insurance Proceeds or proceeds of the purchase of any Mortgage Loan pursuant to Sections 2.02 and 2.04 received in the month in which such Remittance Date occurs (other than such Partial Prepayments, Liquidation Proceeds, Insurance Proceeds or proceeds of the purchase of any Mortgage Loan pursuant to Sections 2.01(c), 2.02 and 2.04 that the Company has deemed to have been received in the preceding month) and Full Prepayments made after the related Prepayment Period, (ii) payments which represent receipt of scheduled payments of principal due on a date or dates subsequent to the related Due Date and (iii) late payments of principal which have been the subject of a previous Monthly Advance and which are eligible for withdrawal pursuant to clauses (ii) or (vii) of Section 3.07.

Program Guide: Collectively, the Client Guide and the Servicer Guide for Residential Funding Company, LLC's mortgage loan purchase and conduit servicing program and all supplements and amendments thereto published by Residential Funding Company, LLC from time to time.

Purchase Price: As defined in the Reference Agreement.

Qualified Correspondent: Any Person from which the Company purchased Mortgage Loans, provided that the following conditions are satisfied: (i) such Mortgage Loans were originated pursuant to an agreement between the Company and such Person that contemplated that such Person would underwrite mortgage loans from time to time, for sale to the Company, in accordance with underwriting guidelines designated by the Company ("Designated Guidelines") or guidelines that do not vary materially from such Designated Guidelines; (ii) such Mortgage Loans were in fact underwritten as described in clause (i) above and were acquired by the Company within one hundred eighty (180) days after origination; (iii) either (x) the Designated Guidelines were, at the time such Mortgage Loans were originated, used by the Company in origination of mortgage loans of the same type as the Mortgage Loans for the Company's own account or (y) the Designated Guidelines were, at the time such Mortgage Loans were underwritten, designated by the Company on a consistent basis for use by

lenders in originating mortgage loans to be purchased by the Company; and (iv) the Company employed, at the time such Mortgage Loans were acquired by the Company, pre-purchase or post-purchase quality assurance procedures (which may involve, among other things, review of a sample of mortgage loans purchased during a particular time period or through particular channels) designed to ensure that Persons from which it purchased mortgage loans properly applied the underwriting criteria designated by the Company.

Record Date: With respect to each Remittance Date, the close of business on the last Business Day of the month next preceding the month in which the related Remittance Date occurs.

Reconstitution: Any Agency Transfer, Securitization Transaction or Whole Loan Transfer.

Reconstitution Agreement: Any agreement or agreements entered into by the Initial Owner and/or certain third parties, and the Company (if applicable), on the Reconstitution Date with respect to any or all of the Mortgage Loans conveyed hereunder, in connection with a Reconstitution as set forth in Section 3.18.

Reconstitution Date: Each date on which any or all of the Mortgage Loans purchased pursuant to this Agreement shall be reconstituted as part of a Reconstitution pursuant to Section 3.18.

Regulation AB: Subpart 229.1100 - Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1123, as such may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Commission in the adopting release (Asset-Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506, 1,531 (Jan. 7, 2005)) or by the staff of the Commission, or as may be provided by the Commission or its staff from time to time.

REMIC: A "real estate mortgage investment conduit" within the meaning of Section 860D of the Code.

REMIC Provisions: Provisions of the federal income tax law relating to a REMIC, which appear at Section 860A through 860G of Subchapter M of Chapter 1, Subtitle A of the Code, and related provisions, and regulations, rulings or pronouncements promulgated thereunder, as the foregoing may be in effect from time to time.

Remittance Amount: With respect to any Remittance Date, an amount equal to, subject to Section 1.02, (i) the Principal Remittance Amount (if any) for such Remittance Date, plus (ii) the Accrued Interest for such Remittance Date, minus (iii) any amounts payable to the Company pursuant to Section 3.07 that are not taken into account in the adjustment of Accrued Interest pursuant to Section 1.02.

Remittance Date: The 18th day of any month, beginning in the month following the month in which the Cut-off Date occurs, or if such 18th day is not a Business Day, the first Business Day immediately following.

REO Acquisition: The acquisition by the Company on behalf of the Initial Owner of any REO Property pursuant to Section 3.12.

REO Property: A Mortgaged Property acquired by the Owner or the Company on behalf of the Owner through foreclosure or deed in lieu of foreclosure.

Request for Release: A request for release, the form of which is attached as Exhibit G hereto, or an electronic request in a form acceptable to the Custodian.

Second Lien: With respect to each Mortgaged Property, the lien of the mortgage, deed of trust or other instrument securing a Mortgage Note which creates a second lien on the Mortgaged Property.

Second Lien Mortgage Loan: A Mortgage Loan secured by a lien on the Mortgaged Property, subject to one prior lien on such Mortgaged Property securing financing obtained by the related Mortgagor.

Securities Act: The Securities Act of 1933, as amended.

Securitization Transaction: Any transaction involving either (1) a sale or other transfer of some or all of the Mortgage Loans directly or indirectly to an issuing entity in connection with an issuance of publicly offered or privately placed, rated or unrated mortgage-backed securities or (2) an issuance of publicly offered or privately placed, rated or unrated securities, the payments on which are determined primarily by reference to one or more portfolios of residential mortgage loans consisting, in whole or in part, of some or all of the Mortgage Loans.

Seller: As to any Mortgage Loan, a Person that executed a Seller's Agreement applicable to such Mortgage Loan.

Seller's Agreement: An agreement for the origination and sale of Mortgage Loans in the form referred to in the Program Guide or in such other form as has been approved by the Company.

Servicer: As defined in Section 9.03(c)

Servicing Criteria: The "servicing criteria" set forth in Item 1122(d) of Regulation AB, as such may be amended from time to time.

Servicing Fee: As to each Mortgage Loan, the annual fee, payable monthly to the Company out of the interest portion of the Monthly Payment or other amounts as set forth in the Agreement received on each Mortgage Loan.

Servicing Fee Rate: As defined in the Reference Agreement.

Standard & Poor's: Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or its successor in interest.

Static Pool Information: Static pool information as described in Item 1105(a)(1)-(3) and 1105(c) of Regulation AB.

Subcontractor: Any vendor, subcontractor or other Person that is not responsible for the overall servicing (as "servicing" is commonly understood by participants in the mortgage-backed securities market) of Mortgage Loans but performs one or more discrete functions identified in Item 1122(d) of Regulation AB with respect to Mortgage Loans under the direction or authority of the Company or a Subservicer.

Subservicer: Any Person that services Mortgage Loans on behalf of the Company or any Subservicer and is responsible for the performance (whether directly or through Subservicers or Subcontractors) of a substantial portion of the material servicing functions required to be performed by the Company under this Agreement or any Reconstitution Agreement that are identified in Item 1122(d) of Regulation AB.

Subservicing Agreement: The written contract between the Company and a Subservicer as may be amended from time to time.

Subservicing Fee: The annual fee, payable monthly to the Subservicer out of the interest portion of the Monthly Payment received on each Mortgage Loan.

Subservicing Fee Rate: As to each Mortgage Loan, the rate per annum set forth in the Mortgage Loan Schedule as the "SUBSERV FEE".

Successor Servicer: Any successor master servicer appointed pursuant to Section 8.01.

Third-Party Originator: Each Person, other than a Qualified Correspondent, that originated Mortgage Loans acquired by the Company.

Whole Loan Transfer: Any sale or transfer of some or all of the Mortgage Loans, other than a Securitization Transaction or Agency Transfer.

Section 1.02 Calculations Respecting Accrued Interest.

(a) The Accrued Interest on any Remittance Date shall be reduced by the amount of any Prepayment Interest Shortfalls with respect to that Remittance Date (to the extent not offset by the Company with a payment of Compensating Interest).

(b) In the event that the Liquidation Proceeds with respect to any Mortgage Loan (net of amounts payable or reimbursable therefrom pursuant to Sections 3.07(iii) and 3.07(iv)) are less than the Principal Balance of such Mortgage Loan, together with one month's interest thereon at the applicable Mortgage Loan Remittance Rate, the Accrued Interest on the Remittance Date in the next succeeding month shall be reduced by the amount of such insufficiency. In the event that such Liquidation Proceeds exceed the sum of the Principal Balance of such Mortgage Loan plus one month's interest thereon at the applicable Mortgage Interest Rate, such excess shall be payable to the Owner.

(c) In the event that any amount or amounts shall be withdrawn from amounts attributable to the Mortgage Loans on deposit in the Custodial Account pursuant to clauses (ii), (iii) (other than for servicing compensation), (iv), (v), (vi), (vii), (viii) or (ix) of Section 3.07 and the related withdrawal or withdrawals shall not be reflected in any adjustment required pursuant to subsections (a) and (b) above, the Accrued Interest on the immediately succeeding Remittance Date shall be reduced by the total of such amounts so withdrawn to the extent such amounts would result in a shortfall of Accrued Interest.

(d) In the event that as of the end of any Due Period, due to acquisition of title to the underlying Mortgaged Property through foreclosure or acceptance of a deed in lieu of foreclosure, application of the Servicemembers Civil Relief Act or similar legislation or regulations as in effect from time to time, a Debt Service Reduction, a Deficient Valuation, or losses or delinquencies on Mortgage Loans, less than the full amount of the interest portion of the Monthly Payment at the Mortgage Loan Remittance Rate due on the Due Date in such Due Period on any Mortgage Loan is deposited in the Custodial Account and no Monthly Advance is made or required to be made in respect thereof, the Accrued Interest on the immediately succeeding Remittance Date shall be reduced by the amount of such insufficiency.

(e) In the event that on or in the month of any Due Date (after adjustment for the Subservicing Fee and the Servicing Fee) more than one month's interest at the applicable Mortgage Loan Remittance Rate on the Principal Balance of any Mortgage Loan is deposited in the Custodial Account as a result of late recoveries of interest in respect of which no Monthly Advance was made in respect of such amount, the Accrued Interest on the immediately succeeding Remittance Date shall be increased by the amount of such excess.

(f) All references to the Principal Balance of any Mortgage Loan in this Section 1.02 are to the Principal Balance of such Mortgage Loan as of the close of business on the Remittance Date immediately preceding the Remittance Date in respect of which the Accrued Interest thereon is being adjusted pursuant to the applicable subsection of this Section 1.02 or, in the case of the first Remittance Date, as of the Cut-off Date.

ARTICLE II

CONVEYANCE OF MORTGAGE LOANS

Section 2.01 Conveyance of Mortgage Loans; Possession of Mortgage Files.

(a) The Company, simultaneously with the execution and delivery of the Reference Agreement, shall hereby sell, transfer and assign, without recourse (subject to the terms of this Agreement), to the Initial Owner the Ownership Interest comprising all the right, title and interest of the Company in and to the Mortgage Loans, including all interest at the applicable Mortgage Loan Remittance Rate, principal received on or due with respect to the Mortgage Loans after the Cut-off Date set forth in the applicable Reference Agreement (other than payments of principal and interest due on the Mortgage Loans on or before the Cut-off Date) and all Prepayment Charges on a servicing retained basis.

(b) In connection with the Company's assignment of the Mortgage Loans to the Initial Owner pursuant to the Reference Agreement, the Company shall deliver to, and deposit with, the Custodian, as the duly appointed agent of the Initial Owner for such purpose, five Business Days before the related Closing Date, the following original documents or instruments (or copies thereof as permitted by this Section) with respect to each Mortgage Loan so assigned:

(i) The original Mortgage Note, endorsed in blank by the Company without recourse, and showing an unbroken chain of endorsements from the originator thereof to the Company or an original lost note affidavit from the related Seller or the Company stating that the original Mortgage Note was lost, misplaced or destroyed, together with a copy of the related Mortgage Note; Notwithstanding the foregoing, not more than one percent (1.00%) of the Mortgage Loans, or such greater percentage as may be mutually agreed upon by the parties hereto, measured by the aggregate unpaid principal balance of the Mortgage Loans as of the Cut-off Date, will have lost note affidavits.

(ii) The original Mortgage, noting the presence of the MIN of the Mortgage Loan and language indicating that the Mortgage Loan is a MOM Loan if the Mortgage Loan is a MOM Loan, with evidence of recording indicated thereon or a copy of the Mortgage with evidence of recording indicated thereon;

(iii) Unless the Mortgage Loan is registered on the MERS® System, an unrecorded original Assignment of the Mortgage from the Company in blank;

(iv) The original recorded assignment or assignments of the Mortgage showing an unbroken chain of title from the originator thereof to the Company (or to MERS, if the Mortgage Loan is registered on the MERS® System and noting the presence of a MIN) with evidence of recordation noted thereon or attached thereto, or a copy of such assignment or assignments of the Mortgage with evidence of recording indicated thereon;

(v) The original of each modification, assumption agreement or preferred loan agreement, if any, relating to such Mortgage Loan or a copy of each modification, assumption agreement or preferred loan agreement;

(vi) if the Mortgage Note, the Mortgage, any Assignment of Mortgage, or any other related document has been signed by a Person on behalf of the Mortgagor, the original power of attorney or other instrument that authorized and empowered such Person to sign; and

(vii) the original of any security agreement, chattel mortgage or equivalent document executed in connection with the Mortgage, if any.

In the event that the Company has been notified by the Custodian that it has delivered to the Custodian any Mortgage Note endorsed in blank or Assignment of Mortgage in blank by a party other than the Company, the Company shall, or shall cause the Custodian to, prior to the related Closing Date, complete the endorsement of the Mortgage Note and Assignment of Mortgage into the name of the Company and deliver an endorsement in blank by the Company and an Assignment of the Mortgage from the Company in blank.

(c) Notwithstanding the provisions of Section 2.01(b), in the event that in connection with any Mortgage Loan the Company cannot deliver on the related Closing Date the original of the Mortgage, any assignment, modification, assumption agreement or preferred loan agreement (or a copy thereof as permitted by Section 2.01(b)) with evidence of recording thereon concurrently with the execution and delivery of this Agreement because of (i) a delay caused by a public recording office where such Mortgage, assignment, modification, assumption agreement or preferred loan agreement as the case may be, has been delivered for recordation, or (ii) a delay in the receipt of certain information necessary to prepare the related assignments, the Company shall deliver to the Custodian a copy of such Mortgage, assignment, modification, assumption agreement or preferred loan agreement. The Company shall promptly deliver to the Custodian such Mortgage, assignment, modification, assumption agreement or preferred loan agreement with evidence of recording indicated thereon in accordance with Section 2.01(b).

In connection with the assignment of any Mortgage Loan registered on the MERS® System, the Company further agrees that it will, at the Owner's request and the Company's sole cost and expense, cause the MERS® System to indicate that such Mortgage Loans have been assigned by the Company to the Owner by including (or, if applicable, deleting, in the case of Mortgage Loans which are repurchased in accordance with this Agreement) in such computer files the code in the field "Pool Field" which identifies the series in which such loans were sold. The Company further agrees that it will not alter the codes referenced in this paragraph with respect to any Mortgage Loan during the term of this Agreement unless and until such Mortgage Loan is repurchased in accordance with the terms of this Agreement.

(d) Any documents required to be delivered to the Custodian by the Company pursuant to this Section 2.01 which are in the possession or control of the Company or a Subservicer and which are not delivered to the Custodian or are requested from the Custodian in connection with the servicing of the Mortgage Loans are and shall be held by the Company, either directly or through the related Subservicer, in trust for the benefit of the Owner.

(e) The sale of each Mortgage Loan shall be reflected on the Company's balance sheet and other financial statements as a sale of assets by the Company. The Company shall be responsible for maintaining, and shall maintain records for each Mortgage Loan which shall be clearly marked to reflect the ownership of each Mortgage Loan by the Owner.

(f) The Company shall maintain in its credit file for each Mortgage Loan the original lender's title insurance policy in the form of an ALTA mortgage title insurance policy, containing each of the endorsements required by FNMA and insuring the Owner and its successors and assigns as to the first priority lien of the Mortgage in the original principal amount of the Mortgage Loan or, if the original lender's title insurance policy has not been issued, the irrevocable commitment to issue the same.

(g) With respect to any Mortgage Loan as to which the Company delivers to the Custodian an affidavit certifying that the original Mortgage Note has been lost or destroyed, if such Mortgage Loan subsequently is in default and the enforcement thereof or of the related Mortgage is materially adversely affected by the absence of the original Mortgage Note, the Company will be obligated to repurchase the Mortgage Loan at the Purchase Price in the manner set forth in Section 2.04, below and indemnify the Owner for any reimbursable expenses of the Servicer or Subservicer, or losses, liabilities and expenses of the Owner due solely to such absence.

Section 2.02 Acceptance by the Initial Owner. The Initial Owner, upon its receipt of the Initial Trust Receipt (as found on Exhibit One of the Custodial Agreement attached hereto as Exhibit B) from the Custodian acknowledges receipt by the Custodian as the duly appointed agent of the Owner of the documents referred to in Section 2.01 above and declares that the Custodian, as its agent, holds and will hold such documents and the other documents constituting a part of the Mortgage Files delivered to the Custodian, as its agent, in trust for the use and benefit of the Initial Owner and any other future Owner. The Custodian, being so obligated under a Custodial Agreement, shall, for the benefit of the Owner, review each Mortgage File delivered to it within 45 days after the Closing Date to ascertain that all required documents have been executed and received, and that such documents relate to the Mortgage Loans identified in the related Mortgage Loan Schedule, and deliver to the Owner a certificate (the "Interim Certification") to the effect that all documents required to be delivered pursuant to Section 2.01(b) have been executed and received and that such documents relate to the Mortgage Loans identified on the Mortgage Loan Schedule, except for any exceptions listed on Schedule A attached to such Interim Certification. Pursuant to the Custodial Agreement, the Custodian shall notify the Owner and the Company if any document or documents constituting a part of the Mortgage File are missing or defective in respect of the items reviewed by it pursuant to the Custodial Agreement. The Owner shall notify the Company and the Custodian of any such omission or defect which it finds in respect of any Mortgage Loan. If such omission or defect materially and adversely affects the interests of the Owner, the Company shall either (i) correct or cure such omission or defect in respect of such Mortgage Loan or (ii) purchase at the Purchase Price such Mortgage Loan from the Owner in either case, within 120 days from the date the Company was notified of such omission or defect and indemnify the Owner for any reimbursable expenses of the Servicer or Subservicer, or losses, liabilities and expenses of the Owner due solely to such omission or defect. Such Purchase Price shall be deposited by the Company in the Custodial Account. Upon receipt by the Owner of written notification of such deposit signed by an officer of the Company, the Custodian shall release to the Company, or its designee, the

related Mortgage File and the Owner shall execute and deliver at the Company's cost and expense such instruments of transfer or assignment, in each case without recourse, as shall be necessary to vest in the Company or its designee any Mortgage Loan released pursuant hereto. The obligation of the Company to cure any material and adverse omissions or defects with respect to any Mortgage Loan or to purchase any Mortgage Loan as to which a material and adverse defect in or omission of a constituent document exists and to indemnify the Owner for any reimbursable expenses of the Servicer or Subservicer, or losses, liabilities and expenses of the Owner due solely to such omission or defect, shall constitute the sole remedy respecting such defect or omission available to the Owners.

Section 2.03 Assignment of Mortgage Loans. The Initial Owner shall have the right to assign its interest under this Agreement with respect to the Mortgage Loans in whole but not in part and designate any person to exercise any rights of the Owner hereunder with respect to the Mortgage Loans, and the assignee or designee shall accede to the rights and obligations hereunder of the Owner with respect to the Mortgage Loans; provided, however, that (i) the Mortgage Loans shall at all times be subject to the terms of this Agreement; and (ii) the Company shall be required to provide not more than three separate reports, in aggregate, to the Initial Owner, and any assignee or designee with respect to each Mortgage Pool; and provided further, however, that the Company shall be given written notice at least thirty (30) days prior to the first Remittance Date that would occur after any such assignment shall be effective. Prior to assigning its interests under this Agreement, the Owner shall deliver a copy of this Agreement to such assignee or designee. No sale or transfer of the Mortgage Loans or assignment of this Agreement shall be binding upon the Company for any purpose under this Agreement unless the Owner proposing to make such sale, transfer or assignment and its prospective assignee have executed and delivered to the Company (with a copy to the Custodian) an assignment and assumption agreement in the form of Exhibit E annexed hereto and the Company has acknowledged such agreement. No sale of the Mortgage Loans shall be made to any employee benefit plan or other plan that is subject to ERISA or Section 4975 of the Code (each, a "Plan") or to any person or entity that is investing on behalf of or with "plan assets" of any Plan or to any insurance company, other than an insurance company investing with funds held in its general account (if such funds do not include "plan assets" of any Plan), unless the Owner's prospective assignee provides the Company with a certification or Opinion of Counsel or both, which establishes to the Company's satisfaction that such disposition will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and Section 4975 of the Code. The Company shall not be required to pay any costs or expenses incurred in connection with obtaining such Opinion of Counsel. The Company may require that such prospective assignee certify to the Company in writing the facts establishing that such disposition will not violate the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code.

The sale of the Mortgage Loans has not been registered or qualified under the Securities Act or any state securities law. No sale, transfer, pledge or other disposition of the Mortgage Loans or any interest therein shall be made unless such disposition is made pursuant to an effective registration statement under the Securities Act and effective registration or qualification under applicable state securities laws, or is made in a transaction which does not require such registration or qualification. If an Owner proposes to make a disposition (by sale, hypothecation, pledge or otherwise) without registration or qualification, the Company shall require, in order to assure compliance with such laws, that the Owner desiring to effect the disposition, and the Owner's prospective transferee, certify to the Company in writing the facts

surrounding the disposition. Unless the Company requests otherwise, such certification of facts shall be in the form of an assignment and assumption agreement annexed hereto as Exhibit E. In the event that such certification of facts does not on its face establish that registration or qualification is not required, the Company may require an Opinion of Counsel satisfactory to it that the transfer may be made without such registration or qualification. Any such Opinion of Counsel shall not be an expense of the Company. The Company is not obligated to register or qualify the Mortgage Loans under the Securities Act or any other securities law or to take any action not otherwise required under this Agreement to permit the transfer of the Mortgage Loans without registration or qualification.

Upon compliance with the foregoing conditions and receipt of an assignment and assumption agreement executed by the Owner and its prospective assignee and acknowledged by the Company, the Company shall make the appropriate notations in its books to reflect the sale of the affected Mortgage Loans to such assignee, such assignee shall accede to the rights and the obligations of the Owner hereunder with respect to such Mortgage Loans, and the Owner shall be released from its obligations hereunder with respect to such Mortgage Loans that have been sold in accordance with this Agreement. For the purposes of this Agreement, the Company shall be under no obligation to deal with any Person with respect to this Agreement or the Mortgage Loans unless the books and records of the Company show such Person as the Owner of such Mortgage Loans. The Company shall not be responsible for expenses incurred by the Owner or any transferee in connection with any sale or transfer pursuant to this Section 2.03.

Section 2.04 Representations and Warranties of the Company. The Company hereby represents and warrants to the Initial Owner that as of the Closing Date or such other date specifically provided for herein:

(i) The Company is a corporation duly organized, validly existing and in good standing under the laws governing its creation and existence and is in compliance with the laws of each state in which any Mortgaged Property is located to the extent necessary to ensure the enforceability of each Mortgage Loan in accordance with the terms of this Agreement, and is duly licensed in each state in which the failure to be licensed will have a material adverse affect on the ability of the Company to perform its obligations under this Agreement;

(ii) The execution and delivery of this Agreement by the Company and its performance and compliance with the terms of this Agreement will not violate the Company's Certificate of Incorporation or Bylaws or constitute a material default (or an event which, with notice or lapse of time, or both, would constitute a material default) under, or result in the material breach of, any material contract, agreement or other instrument to which the Company is a party or which may be applicable to the Company or any of its assets;

(iii) The Company has the full power and authority to hold each Mortgage Loan, to sell each Mortgage Loan, and to execute, deliver and perform, and to enter into and consummate, all transactions contemplated by this Agreement. The Company has duly authorized the execution, delivery and performance of this Agreement, has duly executed and delivered this Agreement and this Agreement, assuming due authorization, execution and delivery by the Initial Owner, constitutes a valid, legal and binding

obligation of the Company, enforceable against it in accordance with the terms hereof subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally and to general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law;

(iv) The Company is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or other) or operations of the Company or its properties or might have consequences that would materially adversely affect its performance hereunder;

(v) No litigation is pending or, to the best of the Company's knowledge, threatened against the Company which would prohibit its entering into this Agreement or performing its obligations under this Agreement;

(vi) The Company will comply in all material respects in the performance of this Agreement;

(vii) No information, certificate of an officer, statement furnished in writing or report delivered by the Company to the Initial Owner will contain any untrue statement of a material fact;

(viii) The Company is a member of MERS in good standing, and will comply in all material respects with the rules and procedures of MERS in connection with the servicing of the Mortgage Loans that are registered with MERS;

(ix) The performance of the Company's obligations under this Agreement and the consummation of the transactions contemplated hereby do not require any consent, approval, authorization or order of, filing with or notice to any State agency or other governmental body, except such as may be required under the securities laws of any state or such as have been obtained, effected or given;

(x) Each Mortgage Loan was originated by a Seller that was in good standing with the Company as a seller under the Program Guide at the time of purchase of the Mortgage Loan by the Company;

(xi) The electronic data file listing the Mortgage Loans and characteristics thereof provided to the Initial Owner by the Company prior to the Closing Date is true and correct in all material respects

(xii) The Company has complied with all anti-money laundering laws and regulations currently in effect and applicable to it;

(xiii) The Company is an approved seller/servicer for Fannie Mae and Freddie Mac, in good standing with Fannie Mae and Freddie Mac and HUD, and is a Mortgagee approved by the Secretary of HUD pursuant to Section 203 of the National Housing Act;

(xiv) The consideration received by the Company upon the sale of the Mortgage Loans constitutes fair consideration and reasonably equivalent value for such Mortgage Loans; and

(xv) The Company is solvent and will not be rendered insolvent by the consummation of the transactions contemplated hereby. The Company is not transferring any Mortgage Loan with any intent to hinder, delay or defraud any of its creditors.

(b) The Company further represents and warrants to the Initial Owner that as of the Closing Date or such other date specifically provided for herein, unless otherwise specified in the Reference Agreement:

(i) The information identified on Exhibit A to the Reference Agreement and set forth in the Mortgage Loan Schedule and the information set forth on the Final Loan Listing, with respect to each Mortgage Loan or the Mortgage Loans, as the case may be, is true and correct, in all material respects, at the date or dates respecting which such information is furnished;

(ii) No action, error, omission, misrepresentation, negligence, fraud, identity theft or similar occurrence in respect of a Mortgage Loan has taken place or any incident or action that would give rise to a claim or alleged claim of any action, error, omission, misrepresentation, negligence, fraud, identity theft or similar occurrence in respect of a Mortgage Loan has taken place on the part of any Person including, without limitation, the Mortgagor, any appraiser, any builder or developer or any party involved in the origination of the Mortgage Loan or in the application of any insurance in relation to such Mortgage Loan that might result in a denial, contesting, failure or impairment of full and timely coverage under any insurance policies required to be obtained or any pool insurance policy covering such Mortgage Loan;

(iii) Each Primary Insurance Policy insures the named insured and its successors and assigns, and the issuer of the Primary Insurance Policy is an insurance company whose claims-paying ability is currently acceptable to any nationally recognized rating agency;

(iv) Immediately prior to the assignment of the Mortgage Loans to the Initial Owner, the Company had good title to, and was the sole owner of, each Mortgage Loan free and clear of any pledge, lien, encumbrance or security interest (other than rights to servicing and related compensation), and no action has been taken or failed to be taken by the Company that would materially adversely affect the enforceability of any Mortgage Loan or the interests therein of any holder of the Mortgage Loans;

(v) No Mortgage Loan was 30 or more days delinquent in payment of principal and interest as of the Cut-off Date and no Mortgage Loan has been so delinquent more than once in the 12-month period prior to the Cut-off Date;

(vi) Subject to clause (v) above as respects delinquencies, there is no default, breach, violation or event of acceleration existing under any Mortgage Note or Mortgage and no event which, with notice and expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration, and no such default,

breach, violation or event of acceleration has been waived by the Seller or by any other entity involved in originating or servicing a Mortgage Loan. With respect to each Mortgage Loan which is indicated by the Company to be a Second Lien Mortgage Loan (as reflected on the Mortgage Loan Schedule) there is no default, breach, violation or event of acceleration existing under such First Lien mortgage or the related mortgage note, and either (A) the First Lien mortgage contains a provision which allows or (B) applicable law requires, the mortgagee under the Second Lien Mortgage Loan to receive notice of, and affords such mortgagee an opportunity to cure any default by payment in full or otherwise under the First Lien mortgage;

(vii) There is no delinquent tax or assessment lien against any Mortgaged Property and there are no delinquent insurance premiums, leasehold payments, assessments or other outstanding charges against any Mortgaged Property;

(viii) No Mortgagor has any right of offset, defense or counterclaim as to the related Mortgage Note or Mortgage except as may be provided under the Servicemembers Civil Relief Act;

(ix) There are no mechanics' liens or claims for work, labor or material affecting any Mortgaged Property which are or may be a lien prior to, or equal with, the lien of the related Mortgage, except such liens that are insured or indemnified against by a title insurance policy described under clause (xiv) below;

(x) Each Mortgaged Property is free of damage and in good repair and no notice of condemnation has been given with respect thereto and the Company knows of nothing involving any Mortgaged Property that could reasonably be expected to materially adversely affect the value or marketability of any Mortgaged Property;

(xi) Each Mortgage Loan as of the time of its origination and as of the Closing Date complied in all material respects with all applicable local, state and federal laws, including, but not limited to, all applicable predatory, abusive and fair lending laws;

(xii) Each Mortgage contains customary and enforceable provisions which render the rights and remedies of the holder adequate to realize the benefits of the security against the Mortgaged Property, including (A) in the case of a Mortgage that is a deed of trust, by trustee's sale, (B) by summary foreclosure, if available under applicable law, and (C) otherwise by foreclosure, and there is no homestead or other exemption available to the Mortgagor that would interfere with such right to sell at a trustee's sale or right to foreclosure, subject in each case to applicable federal and state laws and judicial precedents with respect to bankruptcy and right of redemption;

(xiii) With respect to each Mortgage that is a deed of trust, a trustee duly qualified under applicable law to serve as such is properly named, designated and serving, and except in connection with a trustee's sale after default by a Mortgagor, no fees or expenses are payable by the Company to the trustee under any Mortgage that is a deed of trust;

(xiv) Unless the Mortgaged Property is located in the State of Iowa and an attorney's certificate and/or a certificate of title guaranty has been obtained, each

Mortgage Loan is covered by an ALTA lender's title insurance policy or other generally acceptable form of policy or insurance acceptable to Fannie Mae or Freddie Mac (including adjustable rate endorsements), issued by a title insurer acceptable to Fannie Mae or Freddie Mac and qualified to do business in the jurisdiction where the Mortgaged Property is located, insuring (subject to the exceptions contained in (ix) and (xxix) of this Section 2.04(b) and, with respect to each Mortgage Loan which is indicated by the Company to be a Second Lien Mortgage Loan (as reflected on the Mortgage Loan Schedule) clause (d)) the Seller, its successors and assigns, as to the first priority lien of the Mortgage in the original principal amount of the Mortgage Loan and against any loss by reason of the invalidity or unenforceability of the lien resulting from the provisions of the Mortgage providing for adjustment in the Mortgage Interest Rate and Monthly Payment, unless the Mortgaged Property is located in the State of Iowa and an attorney's certificate has been provided in accordance with Fannie Mae servicing practices and procedures. Where required by state law or regulation, the Mortgagor has been given the opportunity to choose the carrier of the required mortgage title insurance. 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 full force and effect upon the consummation of the transactions contemplated by this Agreement. Additionally, such lender's title insurance policy affirmatively insures ingress and egress to and from the Mortgaged Property and against encroachments by or upon the Mortgaged Property or any interest therein. No claims have been made under such lender's title insurance policy, and no prior holder or servicer of the related Mortgage, including the Seller, has done, by act or omission, anything which would impair the coverage of such lender's title insurance policy;

(xv) The Company has no actual knowledge of the presence of, nor reasonable grounds to suspect the presence of, any toxic materials or other environmental hazards on, in or that could affect any of the Mortgaged Property. The Mortgaged Property is in compliance with all local, State or federal law or regulation designed to protect the health and safety of the occupants of the Mortgaged Property;

(xvi) All buildings upon the Mortgaged Property are insured by an insurer acceptable to Fannie Mae and Freddie Mac against loss by fire, hazards of extended coverage and such other hazards as are customary in the area where the Mortgaged Property is located, pursuant to insurance policies providing coverage in an amount not less than the lesser of (i) 100% of the insurable value of all improvements to the Mortgaged Property as established by the property insurer and (ii) the outstanding principal balance of the Mortgage Loan with respect to each first lien Mortgage Loan, as long as it equals the 80% of the insurable value of the improvements required to compensate for damage or loss on a replacement cost basis. All such insurance policies contain a standard mortgagee clause naming the Seller, its successors and assigns as mortgagee and all premiums thereon have been paid. If the Mortgaged Property is in an area identified as a special flood hazard area by the Secretary of the United States Housing and Urban Development or the Federal Emergency Management Agency as having special flood hazards (and such flood insurance has been made available) a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect which policy conforms to the requirements of Fannie Mae and Freddie Mac. The Mortgage obligates the Mortgagor thereunder to

maintain all such insurance at the Mortgagor's cost and expense, and on the Mortgagor's failure to do so authorizes the holder of the Mortgage to maintain such insurance at Mortgagor's cost and expense and to seek reimbursement therefor from the Mortgagor;

(xvii) No Mortgage Loan is secured by a leasehold estate;

(xviii) The Company is a member of MERS, in good standing, and current in payment of all fees and assessments imposed by MERS;

(xix) No instrument of release or waiver has been executed in connection with the Mortgage Loans, and no Mortgagor has been released, in whole or in part from its obligations in connection with a Mortgage Loan;

(xx) With respect to each Mortgage Loan, the Mortgage Loan contains a customary provision for the acceleration of the payment of the unpaid principal balance of the Mortgage Loan in the event the related Mortgaged Property is sold without the prior consent of the mortgagee thereunder;

(xxi) The proceeds of the Mortgage Loan 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 (including any escrow funds held to make Monthly Payments pending completion of such improvements) have been complied with. All costs, fees and expenses incurred in making, closing or recording the Mortgage Loans were paid;

(xxii) Except with respect to each Mortgage Loan originated under a "streamlined" refinance mortgage loan program (through which no new or updated appraisals of Mortgaged Properties are obtained in connection with the refinancing thereof) and each Second Lien Mortgage Loan, the Mortgage File contains a full appraisal of the related Mortgaged Property which was on appraisal form 1004 or form 2055 with an interior inspection and was made and signed, prior to the approval of the Mortgage Loan application, by an appraiser who meets the Appraiser Requirements and the minimum requisite qualifications of Fannie Mae and Freddie Mac for appraisers, duly appointed by the originator, who had no interest, direct or indirect in the Mortgaged Property or in any loan made on the security thereof, whose compensation is not affected by the approval or disapproval of the Mortgage Loan; the appraisal is in a form acceptable to Fannie Mae and Freddie Mac, with such riders as are acceptable to Fannie Mae and Freddie Mac and shall not be an automated valuation model appraisal. With respect to each Second Lien Mortgage Loan, to the extent an appraisal of the Mortgaged Property was required under the Program Guide, the appraisal was on an appraisal form acceptable under the Program Guide and the appraisal was made by an appraiser who satisfied the minimum qualifications for an appraiser specified in the Program Guide;

(xxiii) To the best of the Company's knowledge, any escrow arrangements established with respect to any Mortgage Loan are in compliance with all applicable local, state and federal laws and are in compliance with the terms of the related Mortgage Note;

(xxiv) Each Mortgage Loan was originated (A) by a savings and loan association, savings bank, commercial bank, credit union, insurance company or similar institution that is supervised and examined by a federal or state authority, (B) by a mortgagee approved by the Secretary of HUD pursuant to Sections 203 and 211 of the National Housing Act, as amended, or (C) by a mortgage broker or correspondent lender in a manner such that the Mortgage Backed Securities would not fail to qualify as "mortgage related securities" within the meaning of Section 3(a)(41) of the Securities Exchange Act of 1934, as amended;

(xxv) All improvements which were considered in determining the Appraised Value of the Mortgaged Properties lie wholly within the boundaries and the building restriction lines of the Mortgaged Properties, or the policy of title insurance affirmatively insures against loss or damage by reason of any violation, variation, encroachment or adverse circumstance that either is disclosed or would have been disclosed by an accurate survey;

(xxvi) Each Mortgage Note and Mortgage constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms except as limited by bankruptcy, insolvency or other similar laws affecting generally the enforcement of creditor's rights;

(xxvii) Each Mortgage Loan constitutes a qualified mortgage under Section 860G(a)(3)(A) of the Code and Treasury Regulations Section 1.860G-2(a)(1);

(xxviii) To the best of the Company's knowledge, no Mortgagor has filed for relief under the Servicemembers Civil Relief Act or any similar state laws;

(xxix) Each Mortgage is properly recorded and is a valid, existing and enforceable (A) first lien and first priority security interest with respect to each Mortgage Loan which is indicated by the Company to be a First Lien (as reflected on the Mortgage Loan Schedule), or (B) second lien and second priority security interest with respect to each Mortgage Loan which is indicated by the Company to be a Second Lien (as reflected on the Mortgage Loan Schedule), in either case, on the Mortgaged Property, including all improvements on the Mortgaged Property subject only to (A) the lien of current real property taxes and assessments, (B) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of the Mortgage, such exceptions appearing of record being acceptable to mortgage lending institutions generally or specifically reflected in the appraisal made in connection with the origination of the related Mortgage Loan, (C) other matters to which like properties are commonly subject that do not materially interfere with the benefits of the security intended to be provided by such Mortgage and (D) with respect to each Mortgage Loan which is indicated by the Company to be a Second Lien Mortgage Loan (as reflected on the Mortgage Loan Schedule) a First Lien on the Mortgaged Property. Any security agreement, chattel mortgage or equivalent document related to and delivered in connection with the Mortgage Loan establishes and creates a valid, existing and enforceable (A) first lien and first priority security interest with respect to each Mortgage Loan which is indicated by the Company to be a First Lien (as reflected on the Mortgage Loan Schedule) or (B) second lien and second priority security interest with respect to

each Mortgage Loan which is indicated by the Company to be a Second Lien Mortgage Loan (as reflected on the Mortgage Loan Schedule), in either case, on the property described therein and the Company has full right to sell and assign the same to the Owner;

(xxx) No Mortgage Loan secured by a property located in the State of Georgia was originated on or after October 1, 2002 and before March 7, 2003;

(xxxi) None of the Mortgage Loans are loans that, under applicable state or local law in effect at the time of origination of the loan, are referred to as "high cost" or "covered" loans (excluding home loans defined as "covered home loans" in the New Jersey Home Ownership Security Act of 2002 that were originated between November 26, 2003 and July 7, 2004) or "high risk home" or "predatory" loans under any applicable federal, state or local law (or a similarly classified loan using different terminology under a law imposing heightened regulatory scrutiny or additional legal liability for residential mortgage loans with high interest rates, points and/or fees);

(xxxii) No Mortgage Loan is subject to the provisions of the Home Ownership and Equity Protection Act of 1994 ("HOEPA") or has an "annual percentage rate" or "total points and fees" payable by the borrower (as each such term is defined under HOEPA) that equal or exceed the applicable thresholds defined under HOEPA (Section 32 of Regulation Z, 12 C.F.R. Section 226.32(a)(1)(i) and (ii));

(xxxiii) No Mortgage Loan originated on or after October 1, 2002 provides for the payment of a Prepayment Charge beyond the three year term following the origination of the Mortgage Loan. No Mortgage Loan originated prior to such date provides for the payment of a Prepayment Charge beyond the five-year term following the origination of the Mortgage Loan;

(xxxiv) The Company has fully furnished, in accordance with the Fair Credit Reporting Act and its implementing regulations, accurate and complete information (i.e., favorable and unfavorable) on its borrower credit files to Equifax, Experian, and Trans Union Credit Information Company (three of the credit repositories), on a monthly basis;

(xxxv) Article XVI, Section 50(a)(6) of the Texas Constitution is not applicable to the Mortgage Loan or the origination thereof. If the Mortgage Loan was originated in Texas, it is not a cash-out refinancing;

(xxxvi) With respect to any Mortgage Loan originated on or after August 1, 2004, neither the related Mortgage nor the related Mortgage Note requires the Mortgagor to submit to arbitration to resolve any dispute arising thereunder or in connection with the origination of such Mortgage Loan;

(xxxvii) No Mortgage Loan has a Loan-to-Value Ratio greater than 95.00% or a Combined Loan-to-Value Ratio greater than 95.00%;

(xxxviii) The Mortgage Interest Rate for each Adjustable Rate Mortgage Loan adjusts in accordance with the related Mortgage Note. With respect to each Adjustable Rate Mortgage Loan, on each Adjustment Date, the Mortgage Interest Rate shall be

adjusted to equal the Index plus the Gross Margin, subject to the Periodic Interest Rate Cap, if any, and the Lifetime Interest Rate Cap as set forth in the respective Mortgage Note and the Mortgage Loan Schedule. None of the Adjustable Rate Mortgage Loans contain a provision allowing the Mortgagor to convert the Mortgage Note from an adjustable rate mortgage loan to a fixed rate mortgage loan;

(xxxix) The Mortgagor is a natural person or a trust that conforms to the Fannie Mae Selling Guide;

(xl) With respect to each Mortgage Loan, the Mortgage Note is payable in Monthly Payments, which, (A) in the case of a Fixed Rate Mortgage Loan, are sufficient to fully amortize the original principal balance over the original term thereof (other than with respect to a Mortgage Loan identified on the related Mortgage Loan Schedule as an interest-only Mortgage Loan during the interest-only period, after which the Monthly Payments are sufficient to fully amortize the remaining principal balance over the remaining term thereof) and to pay interest at the related Mortgage Interest Rate, (B) in the case of an Adjustable Rate Mortgage Loan (other than with respect to a Mortgage Loan identified on the related Mortgage Loan Schedule as an interest-only Mortgage Loan during the interest-only period, after which the Monthly Payments are sufficient to fully amortize the remaining principal balance over the remaining term thereof), are changed on each Adjustment Date, and, subject to the Periodic Interest Rate Cap, if any, and the Lifetime Interest Rate Cap as set forth in the respective Mortgage Note and the Mortgage Loan Schedule, are sufficient to fully amortize the original principal balance over the original term thereof and to pay interest at the related Mortgage Interest Rate assuming no further interest rate changes and (C) in the case of a Balloon Loan, are based on a fifteen (15) or thirty (30) year amortization schedule, as set forth in the related Mortgage Note, and a final monthly payment substantially greater than the preceding monthly payment which is sufficient to amortize the remaining principal balance of the Balloon Loan and to pay interest at the related Mortgage Interest Rate. No Balloon Loan has an original stated maturity of less than seven (7) years. The Index for each Adjustable Rate Mortgage Loan is as defined in the related Mortgage Loan Schedule. With respect to each Mortgage Loan identified on the Mortgage Loan Schedule as an interest-only Mortgage Loan, the interest-only period shall not exceed the period specified on the Mortgage Loan Schedule and following the expiration of such interest-only period, the remaining Monthly Payments shall be sufficient to fully amortize the original principal balance over the remaining term of the Mortgage Loan;

(xli) No Mortgage Loan provides for negative amortization;

(xlii) The origination and collection practices used by the Company with respect to each Mortgage Note and Mortgage have been in all respects legal, proper, prudent and customary in the mortgage origination and servicing industry;

(xliii) The Mortgage Loan has been serviced by the Company and any predecessor servicer in accordance with all applicable laws, rules and regulations and the terms of the Mortgage Note. With respect to escrow deposits and Escrow Payments (other than with respect to each Mortgage Loan which is indicated by the Company to be a Second Lien Mortgage Loan), if any, all such payments are in the possession or under

the control of the Company or the Subservicer and there exist no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made, and no escrow deposits or Escrow Payments or other charges or payments due the Company have been capitalized under any Mortgage or the related Mortgage Note;

(xliv) No Mortgage Loan is subject to bankruptcy, foreclosure, insolvency, reorganization, or similar proceeding;

(xlv) The Mortgage Loan was underwritten in accordance with the underwriting standards of the Company in effect at the time the Mortgage Loan was originated or purchased by the Company, and the Mortgage Note and Mortgage are on forms acceptable to Fannie Mae and Freddie Mac;

(xlvi) No Mortgage Loan was made in connection with (a) the construction or rehabilitation of a Mortgaged Property or (b) facilitating the trade in or exchange of a Mortgaged Property;

(xlvii) At origination and as of the Closing Date, the Mortgaged Property was lawfully occupied under applicable law and 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, have been made or obtained from the appropriate authorities. No improvement located on or being part of any Mortgaged Property is in violation of any applicable zoning law or regulation;

(xlviii) Interest on each Mortgage Loan is calculated on the basis of a 360 day year consisting of twelve 30 day months;

(xlix) Each Mortgage Loan that is a first lien on the related Mortgaged Property is covered by a valid and transferable tax service contract;

(l) Each Mortgage Loan that is a first lien on the related Mortgaged Property is covered by a valid and transferable flood zone service contract;

(li) Each Mortgagor at the time of origination had a Credit Score at least equal to the minimum Credit Score as set forth in the related Reference Agreement;

(lii) The Mortgage Loan Documents with respect to each Mortgage Loan subject to Prepayment Charges specifically authorize such Prepayment Charges to be collected, such Prepayment Charges are permissible and enforceable in accordance with the terms of the related Mortgage Loan Documents and all applicable federal, state and local laws (except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency, moratorium, receivership and other similar laws relating to creditors' rights generally or the collectability thereof may be limited due to acceleration in connection with a foreclosure);

(liii) No Mortgagor obtained a prepaid single premium credit insurance policy (e.g., life, mortgage, disability, accident, unemployment, property or health

insurance product) or debt cancellation agreement in connection with the origination of the Mortgage Loan. No proceeds from any Mortgage Loan were used to purchase single premium credit insurance policies (e.g., life, mortgage, disability, accident, unemployment, property or health insurance product) or debt cancellation agreements as part of the origination of, or as a condition to closing, such Mortgage Loan;

(liv) No Mortgage Loan originated on or after November 7, 2004 is secured by a Mortgaged Property located in the State of Massachusetts that is a refinance Mortgage Loan;

(lv) With respect to each Mortgage Loan which is a Second Lien, (i) except as otherwise disclosed to the Owner in writing, the related first lien does not provide for negative amortization and is not an adjustable rate option Mortgage Loan and (ii) either no consent for the Mortgage Loan is required by the holder of the first lien or such consent has been obtained and is contained in the Mortgage File;

(lvi) Each Mortgage Loan secured by a Mortgaged Property located within the "Pilot Program Area" in Cook County in the State of Illinois was originated in compliance with Illinois Public Act 94-280 (Illinois H.B. 4050), known as the Predatory Lending Database Pilot Program Act (765 ILCS 77/70)). The term "Pilot Program Area" refers to the following zip codes: 60620, 60621, 60623, 60628, 60629, 60632, 60636, 60638, 60643, and 60652. Every such Mortgage Loan, regardless of the originator, recorded on or after September 1, 2006, was validly recorded with the Cook County Recorder of Deeds along with either a Certificate of Compliance or Exempt Certificate issued by the Illinois Department of Financial and Professional Regulation as a cover sheet. No material changes were made to any such Mortgage Loan from the time that the loan file was submitted to the Illinois Department of Financial and Professional Regulation for a Certificate of Compliance or Exempt Certificate until the date of settlement; and

(lvii) With respect to any Mortgage Loan that is secured in whole or in part by an interest in manufactured housing, upon the origination of each such Mortgage Loan such manufactured housing unit either (i) will be the principal residence of the Mortgagor or (ii) will be classified as real property under applicable state law.

It is understood and agreed that the representations and warranties set forth in this Section 2.04 and Section 4 of the Reference Agreement shall survive the sale of the Mortgage Loans and shall inure to the benefit of the Owner, notwithstanding any restrictive or qualified endorsement or assignment. Upon discovery by either the Company or the Owner of a breach of any of the representations and warranties in this Section 2.04 or Section 4 of the Reference Agreement which materially and adversely affects the interest of the Owner in the related Mortgage Loan, the party discovering such breach shall give prompt written notice to the other. Within 60 days of its discovery or its receipt of notice of any such breach, or such longer period as may be mutually agreed upon by the parties hereto, the Company shall (i) cure such breach in all material respects or (ii) repurchase such Mortgage Loan at the Purchase Price. The Purchase Price for the repurchased Mortgage Loan shall be deposited by the Company in the Custodial Account and, upon receipt by the Owner of such Purchase Price, the Owner shall cause the Custodian to promptly deliver the related Mortgage File to the Company. The Company shall

prepare the Assignment of the related Mortgage for execution by or at the direction of the Owner, as applicable, and shall pay all costs and expenses reasonably incurred by the Owner in effecting the reconveyance of a repurchased Mortgage Loan including, without limitation, the cost of recording the Assignment of the related Mortgage for any Mortgage Loan that is not registered with MERS. It is understood and agreed that the obligation of the Company to cure such breach or to so purchase such Mortgage Loan as to which such a breach has occurred and is continuing and to indemnify the Owner as provided in Section 5.01 shall constitute the sole remedy respecting such breach available to the Owner. The indemnification obligation of the Company set forth herein shall survive the termination of this Agreement notwithstanding any applicable statute of limitations, which the Company hereby expressly waives. Notwithstanding anything to the contrary contained herein, it is understood by the parties hereto that a breach of the representations and warranties made in Sections 2.04(b)(xi), (xxvii), (xxx), (xxxi), (xxxii), (xxxiii), (xxxvi), (liii) or (lvii) will be deemed to materially and adversely affect the value of the related Mortgage Loan or the interest of the Owner therein.

Section 2.05 Representations, Warranties and Covenants of the Initial Owner. The Initial Owner hereby represents and warrants to, and covenants with, the Company that as of the Closing Date:

(i) The Initial Owner understands that the Mortgage Loans have not been registered under the Securities Act or the securities laws of any state. The Initial Owner is acquiring the Mortgage Loans for investment for its own account only and not with a view to or for sale or other transfer in connection with any distribution of the Mortgage Loans in any manner that would violate the Securities Act or any applicable state securities law. The Initial Owner considers itself a substantial, sophisticated institutional investor having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Mortgage Loans. The Initial Owner has been furnished with all information regarding the Mortgage Loans that it has requested from the Company. Neither the Initial Owner nor anyone acting on its behalf has offered, transferred, pledged, sold or otherwise disposed of the Mortgage Loans or any interest in the Mortgage Loans to, or solicited any offer to buy or accept a transfer, pledge or other disposition of the Mortgage Loans or any interest in the Mortgage Loans from, or otherwise approached or negotiated with respect to the Mortgage Loans, any interest in the Mortgage Loans with, any Person in any manner, or made any general solicitation by means of general advertising or in any other manner or taken any other action, which would constitute a distribution of the Mortgage Loans under the Securities Act or which would render the disposition of the Mortgage Loans a violation of Section 5 of the Securities Act or require registration pursuant thereto, nor will it act, nor has it authorized or will it authorize any person to act, in such manner with respect to the Mortgage Loans;

(ii) The Initial Owner is either (a) not a Plan that is subject to ERISA or Section 4975 of the Code and not a Person acting, directly or indirectly, on behalf of or investing with "plan assets" of any such Plan or (b) an employee benefit plan that is subject to ERISA or Section 4975 of the Code and the transaction contemplated herein does not constitute and will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code;

(iii) The Company and Initial Owner have executed this Agreement, the Reference Agreement and the Custodial Agreement contemporaneously with the sale of the Mortgage Loans by the Company to the Initial Owner and the transfer of the purchase price by the Initial Owner to the Company; and

(iv) The Initial Owner has the full power and authority to purchase the Mortgage Loans and to execute, deliver and perform and to enter into and consummate all transactions contemplated by this Agreement, the Reference Agreement and the Custodial Agreement, has duly authorized the execution and delivery of this Agreement, the Reference Agreement and the Custodial Agreement, and this Agreement, the Reference Agreement and the Custodial Agreement each constitute the legal, valid and binding obligation of the Initial Owner, enforceable against it in accordance with their respective terms.

Section 2.06 Protection of Confidential Information and Consumer Information. The Owner agrees that the Sellers are customers of the Company and that the relationships between the Company and such Sellers are confidential (the "Confidential Information"). The Owner agrees that it shall not directly solicit the Sellers of Mortgage Loans for the purpose of purchasing loans similar to the Mortgage Loans from any such Seller following the Closing Date unless (i) such a relationship already exists between the Owner or its affiliates and such Seller, (ii) such a purchase of a mortgage loan is established by a broker or agent of the Owner, which agent or broker is acting independently, and neither the Owner nor its affiliates have provided such broker or agent with any Confidential Information, or (iii) such a purchase of a mortgage loan is in the Owner's ordinary course of business and is not based on the use of Confidential Information. The Owner and the Company shall keep confidential and shall not, without the Company's or Owner's prior written consent, divulge to any party the price paid by the Owner for the Mortgage Loans, except to the extent that it is appropriate for the Owner or the Company to do so in working with legal counsel, auditors, taxing authorities or other governmental or regulatory agencies.

(b) The Owner agrees that the Owner (i) shall comply with any applicable laws and regulations regarding the privacy and security of Consumer Information, (ii) shall not use Consumer Information in any manner inconsistent with any applicable laws and regulations regarding the privacy and security of Consumer Information, (iii) shall not disclose Consumer Information to third parties except as permitted or required by applicable law and regulations, (iv) shall maintain adequate physical, technical and administrative safeguards to protect Consumer Information from unauthorized access, and (v) shall promptly, but in any event within two Business Days of the discovery of any actual or suspected breach of the confidentiality of Consumer Information, notify the Company of such actual or suspected breach.

The Owner shall indemnify, defend and hold the Company harmless from and against any loss, claim or liability the Company may suffer by reason of the Owner's failure to perform the obligations set forth in this Section 2.06(b).

(c) The Company agrees that the Company (i) shall comply with any applicable laws and regulations regarding the privacy and security of Consumer Information, (ii) shall not use Consumer Information in any manner inconsistent with any applicable laws and regulations regarding the privacy and security of Consumer Information, (iii) shall not disclose Consumer

Information to third parties except as permitted or required by applicable law and regulations, (iv) shall maintain adequate physical, technical and administrative safeguards to protect Consumer Information from unauthorized access, and (v) shall promptly, but in any event within two Business Days of the discovery of any actual or suspected breach of the confidentiality of Consumer Information, notify the Owner of such actual or suspected breach.

The Company shall indemnify, defend and hold the Owner harmless from and against any loss, claim or liability the Owner may suffer by reason of the Company's failure to perform the obligations set forth in this Section 2.06(c).

(d) The agreements under this Section 2.06 shall survive any termination of this Agreement.

Section 2.07 First Payment Default If the related Mortgagor is thirty (30) days or more delinquent, as determined in accordance with the Office of Thrift Supervision delinquency reporting method, with respect to the first Monthly Payment under a Mortgage Loan after the Cut-off Date, the Company shall, at the Owner's option, repurchase such Mortgage Loan from the Owner in accordance with Section 2.04 hereof; provided that the Company shall not be required to repurchase such Mortgage Loan if it can demonstrate to the Owner's reasonable satisfaction within thirty (30) days of such reported delinquency that the related Mortgagor timely made all payments required of the Mortgagor but such payment was otherwise misapplied; and provided further, that the Owner shall request a repurchase from the Company pursuant to this Section 2.07 no later than one hundred twenty (120) days after the date the Owner is notified of such payment default.

Section 2.08 Prepayment-in-Full Premium Recapture In the event that any Mortgage Loan is prepaid in full within one (1) month following the related Closing Date, the Company shall remit to the Owner on the next Remittance Date following receipt of notice from the Owner of a prepayment-in-full, an amount equal to the product of (i) the excess of the related purchase price percentage over 100% and (ii) the Principal Balance of such prepaid Mortgage Loan as of the related Closing Date.

ARTICLE III

ADMINISTRATION AND SERVICING OF MORTGAGE LOANS

Section 3.01 Company to Act as Servicer The Company shall act as master servicer, and in such capacity shall service and administer the Mortgage Loans in accordance with this Agreement and the Program Guide, and in connection therewith shall follow such procedures as it would employ in its good faith business judgment which are normal and usual in its general mortgage servicing activities for mortgage loans similar to the Mortgage Loans, and as if the loans were owned by the Company. The Company shall have full power and authority to the extent provided herein, acting alone and/or through the Subservicer as provided in Section 3.02, to do or cause to be done any and all things which it may deem necessary or desirable in connection with such servicing and administration. The Company will perform its duties and obligations as master servicer hereunder in accordance with all applicable laws in all material respects. The Owner shall furnish the Company and any Subservicer with any powers of

attorney and other documents necessary or appropriate to enable the Company to service and administer the Mortgage Loans. The Company will fully furnish, in accordance with the Fair Credit Reporting Act and its implementing regulations, accurate and complete information (i.e., favorable and unfavorable) on its borrower credit files to Equifax, Experian, and Trans Union Credit Information Company (three of the credit repositories), on a monthly basis in accordance with the Program Guide.

Section 3.02 Agreements Between Company and Subservicer The Company may enter into one or more Subservicing Agreements with one or more Subservicers for the servicing and administration of the Mortgage Loans. Each Subservicer shall be approved by the Company as a servicer in accordance with the terms and conditions of the Program Guide and shall be entitled to receive and retain the Subservicing Fee in respect of the related Mortgage Loans. References in this Agreement to actions taken or to be taken by the Company in servicing the Mortgage Loans include actions taken or to be taken by a Subservicer on behalf of the Company. Each Subservicing Agreement will be upon such terms and conditions as are required or permitted by the Program Guide and are not inconsistent with this Agreement. Any Subservicing Agreement shall be deemed to be between the Subservicer and the Company alone and the Owner shall not be deemed a party thereto and shall have no claims, rights, obligations, duties or liabilities with respect to the Subservicer in its capacity as such except as hereinafter set forth in this Section 3.02.

The Company further is authorized and empowered by the Owner, in its own name or in the name of the Subservicer, when the Company believes it appropriate in its best judgment to register any Mortgage Loan on the MERS® System, or cause the removal from the registration of any Mortgage Loan on the MERS® System, to execute and deliver, on behalf of the Owner any and all instruments of assignment and other comparable instruments with respect to such assignment or re-recording of a Mortgage in the name of MERS, solely as nominee for the Owner and its successors and assigns. The cost of any such registration, removal, assignment or re-recording shall be paid by the Owner.

The Company shall be entitled to terminate any Subservicing Agreement that may exist and the rights and obligations of any Subservicer pursuant to any Subservicing Agreement in accordance with the terms and conditions of such Subservicing Agreement and without any limitation by virtue of this Agreement; provided, however, that in the event of termination of any Subservicing Agreement by the Company or the Subservicer, all servicing obligations of such Subservicer shall be assumed simultaneously by the Company, and the Company shall either act as servicer of the related Mortgage Loan or enter into a Subservicing Agreement with a successor Subservicer which will be bound by the terms of the related Subservicing Agreement.

The Company shall remain obligated and primarily liable to the Owner for the servicing and administering of the Mortgage Loans in accordance with the provisions of this Agreement without diminution of such obligation or liability by virtue of such Subservicing Agreements or arrangements or by virtue of indemnification from the Subservicer and to the same extent and under the same terms and conditions as if the Company alone were servicing and administering the Mortgage Loans.

At the cost and expense of the Company, without any right of reimbursement from the Custodial Account, the Company shall be entitled to terminate the rights and

responsibilities of a Subservicer and arrange for any servicing responsibilities to be performed by a successor Subservicer, which shall be a Fannie Mae or Freddie Mac approved seller/servicer in good standing. In the event that the Company's responsibilities and duties under this Agreement are terminated hereunder with cause or if the Company resigns in accordance with Section 5.03, and if requested to do so by the Owner, the Company shall at its own cost and expense terminate the rights and responsibilities of the Subservicer effective as of the date of termination of the Company. In such event, the Company shall pay all fees, expenses or penalties necessary in order to terminate the rights and responsibilities of the Subservicer from the Company's own funds without reimbursement from the Owner.

For purposes of distributions and advances by the Company pursuant to this Agreement, the Company shall be deemed to have received a payment on a Mortgage Loan when a Subservicer has received such payments notwithstanding that such amounts are remitted to the Company after such date.

In the event the Company shall for any reason no longer be the master servicer of the Mortgage Loans hereunder, the Successor Servicer appointed pursuant to Section 8.01, if any, shall thereupon assume all of the rights and obligations of the Company under each Subservicing Agreement that may have been entered into, unless the Subservicer is then permitted and elects to terminate any Subservicing Agreement in accordance with its terms.

In connection with the assumption of the responsibilities, duties and liabilities and of the authority, power and rights of the Company hereunder by a successor servicer pursuant to Section 8.01 of this Agreement, it is understood and agreed that the Company's rights and obligations under any Sub-Servicing Agreement then in force between the Company and a Subservicer shall be assumed simultaneously by such successor servicer without act or deed on the part of such successor servicer; provided, however, that any successor servicer may terminate the Subservicer.

The Company shall, upon the reasonable request of the Owner, but at its own expense, deliver to the assuming party documents and records relating to each Sub-Servicing Agreement and an accounting of amounts collected and held by it and otherwise use its best efforts to effect the orderly and efficient transfer of the Sub-Servicing Agreements to the assuming party.

The Servicing Fee payable to any such successor servicer shall be payable from payments received on the Mortgage Loans in the amount and in the manner set forth in this Agreement.

Section 3.03 Collection of Certain Mortgage Loan Payments and Liquidation of Mortgage Loans The Company shall undertake to collect all payments called for under the terms and provisions of the Mortgage Loans in accordance with the servicing standards set forth in Section 3.01. Consistent with the foregoing, the Company may in its discretion (i) waive any late payment charge and (ii) only upon determining that the coverage of such Mortgage Loan by the related mortgage insurance policy if any, will not be affected, extend the Due Dates for the Monthly Payments due on a Mortgage Note in accordance with the Program Guide.

The Company shall not waive (or permit a Subservicer to waive) any Prepayment Charge unless: (i) the enforceability thereof shall have been limited by bankruptcy, insolvency, moratorium, receivership and other similar laws relating to creditors' rights generally, (ii) the

enforcement thereof is illegal, or any local, state or federal agency has threatened legal action if the Prepayment Charge is enforced, (iii) the collectability thereof shall have been limited due to acceleration in connection with a foreclosure or other involuntary payment or (iv) such waiver is standard and customary in servicing similar Mortgage Loans and relates to a default or a reasonably foreseeable default and would, in the reasonable judgment of the Company, maximize recovery of total proceeds taking into account the value of such Prepayment Charge and the related Mortgage Loan. Subject to the above, in no event will the Company waive (or permit a Subservicer to waive) a Prepayment Charge in connection with a refinancing of a Mortgage Loan that is not related to a default or a reasonably foreseeable default. If a Prepayment Charge is waived, but does not meet the standards described above, then the Company is required to pay the amount of such waived Prepayment Charge to the Owner at the time that the amount prepaid on the related Mortgage Loan is required to be deposited into the Custodial Account. Notwithstanding any other provisions of this Agreement, any payments made by the Company in respect of any waived Prepayment Charges pursuant to this Section shall be deemed to be paid outside of and not part of any REMIC.

Section 3.04 Principal and Interest AccountsIn those cases where a Subservicer is servicing a Mortgage Loan pursuant to a Subservicing Agreement, the Subservicer will be required to establish and maintain one or more principal and interest accounts in accordance with the Program Guide. All principal and interest accounts described in this section shall be Eligible Accounts. The Subservicer will generally be required to deposit into such accounts all proceeds of Mortgage Loans received by the Subservicer, less its servicing compensation, and remit such amounts to the Company as described in the Subservicing Agreement.

Section 3.05 Escrow AccountsIn addition to the principal and interest account described in Section 3.04, the Company shall cause each Subservicer pursuant to the related Subservicing Agreement to establish and maintain one or more escrow accounts for the benefit of the Company and deposit and retain therein all collections from the Mortgagors for the payment of taxes, assessments, hazard insurance premiums, mortgage insurance policy premiums, if applicable, and comparable items for the account of the Mortgagors. All escrow accounts described in this section shall be Eligible Accounts.

With respect to each Mortgage Loan, the Company shall maintain, or cause each Subservicer to maintain, accurate records reflecting the status of ground rents, taxes, assessments, water rates and other charges which are or may become a lien upon the Mortgaged Property and the status of Primary Insurance Policy and LPMI Policy premiums and fire and hazard insurance coverage and shall obtain, or cause each Subservicer to obtain, from time to time, all bills for the payment of such charges, including insurance renewal premiums, and shall effect payment thereof prior to the applicable penalty or termination date and at a time appropriate for securing maximum discounts allowable, employing for such purpose deposits of the Mortgagor in the related escrow account which shall have been estimated and accumulated by the Company or the Subservicer in amounts sufficient for such purposes, as allowed under the terms of the Mortgage and applicable law. To the extent that the Mortgage does not provide for escrow payments, the Company or Subservicer shall cause any such payments to be made at the time they first become due.

Section 3.06 Custodial AccountThe Company shall establish and maintain one or more Custodial Accounts, which may be interest bearing accounts. The Custodial Account shall be an

Eligible Account. The Company shall not commingle funds required to be deposited in the Custodial Account with any other funds. The Company shall give notice to the Owner of the location of the Custodial Account when established and prior to any change thereof. Except as otherwise set forth below, the following payments and collections shall be deposited therein (other than in respect of principal and interest on the Mortgage Loans due on or before the Cut-off Date): (i) all payments on account of principal on the Mortgage Loans; (ii) all payments on account of interest on the Mortgage Loans, net of the Subservicing Fee or any portion of the Servicing Fee payable to the Subservicer; (iii) all Insurance Proceeds and Liquidation Proceeds; (iv) any Monthly Advances; (v) all proceeds of any Mortgage Loan repurchased pursuant to Sections 2.01(c), 2.02, 2.04 and clause (iii) of Section 7.01; (vi) any amounts required to be deposited pursuant to the first paragraph of Section 3.08; (vii) all payments on account of interest on the Mortgage Loans, including Prepayment Charges.

With respect to Liquidation Proceeds, Insurance Proceeds and the proceeds of the purchase of any Mortgage Loan pursuant to Sections 2.01(c), 2.02 and 2.04 received in any calendar month, the Company may elect to treat such amounts as included in the Principal Remittance Amount for the Remittance Date in the month of receipt, but is not obligated to do so. If the Company so elects, such amounts will be deemed to have been received on the last day of the month prior to the receipt thereof.

The Company or its designees may transfer the related Custodial Account or the related escrow account to a different depository institution from time to time. Such transfer shall be made only upon obtaining the consent of the Owner, which consent shall not be unreasonably withheld. In any case, the Custodial Account shall be an Eligible Account.

Section 3.07 Permitted Withdrawals From the Custodial Account The Company may, from time to time as provided herein, make withdrawals from the Custodial Account for the following purposes:

- (i) to make payments to the Owner in the amounts and in the manner provided for in Section 4.01;
- (ii) to reimburse itself for Monthly Advances, the Company's right to reimburse itself pursuant to this subclause (ii) being limited to amounts received on the related Mortgage Loan which represent late payments of principal and/or interest respecting which any such advance was made;
- (iii) to reimburse itself as to any Liquidated Mortgage Loan from related Liquidation Proceeds for related Monthly Advances, Insured Expenses and Liquidation Expenses, and to reimburse itself for any unpaid servicing compensation on such Liquidated Mortgage Loan;
- (iv) to reimburse itself as to any Mortgage Loan which became an REO Property, from related Liquidation Proceeds for related Insured Expenses and Liquidation Expenses;
- (v) (a) to pay to itself as servicing compensation any interest earned on or investment income with respect to funds in the Custodial Account and (b) to pay to itself

as to each Mortgage Loan the Servicing Fee, and to the related Subservicer the Subservicing Fee if not retained by the Subservicer;

(vi) to pay to itself with respect to each Mortgage Loan that has been repurchased pursuant to Sections 2.01(c), 2.02 and 2.04 all amounts received thereon and not required to be distributed to the Owner;

(vii) to reimburse itself for any Nonrecoverable Monthly Advance or to reimburse itself for any Liquidation Expenses not previously recovered pursuant to subclauses (iii) and (iv) above;

(viii) to reimburse itself for expenses incurred by and reimbursable to it pursuant to Section 5.01;

(ix) to reimburse itself for any other expenses incurred and reimbursable to it pursuant to Section 3.03 or Section 3.12; and

(x) to clear the Custodial Account of all amounts on deposit therein attributable to the Mortgage Loans upon the termination of this Agreement.

Section 3.08 Permitted Instruments. The depository institution at which the Custodial Account has been established may at the direction of the Company, invest the funds in the Custodial Account in Permitted Instruments, which shall mature not later than the Remittance Date next following the date of such investment. Subject to Section 3.16, all income and gain realized from any such investment shall be for the benefit of the Company and shall be subject to its withdrawal or order from time to time. The amount of any losses incurred in respect of any such investments shall be deposited in the Custodial Account by the Company out of its own funds without any right of reimbursement immediately as such losses are realized. As used herein, Permitted Instruments shall include the following:

(i) obligations of, or obligations fully guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, provided such obligations are backed by the full faith and credit of the United States;

(ii) repurchase obligations with respect to any security described in clause (i) above maturing not more than one month from the date of acquisition thereof, provided that the unsecured obligations of the party agreeing to repurchase such obligations are at the time rated by any nationally recognized rating agency in its highest short-term rating available;

(iii) federal funds, certificates of deposit, demand deposits, time deposits and bankers' acceptances (which shall each have an original maturity of not more than 90 days and, in the case of bankers' acceptances, shall in no event have an original maturity of more than 365 days or a remaining maturity of more than 30 days) denominated in United States dollars of any U.S. depository institution or trust company incorporated under the laws of the United States or any state thereof or of any domestic branch of a foreign depository institution or trust company; provided that the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a depository institution holding company system, debt obligations of the

depository institution holding company) at the date of acquisition thereof have been rated by any nationally recognized rating agency in its highest short-term rating available; and provided further that, if the depository or trust company is a principal subsidiary of a bank holding company and the debt obligations of such subsidiary are not separately rated, the applicable rating shall be that of the bank holding company; and, provided further that, if the original maturity of such short-term obligations of a domestic branch of a foreign bank or trust company shall exceed 30 days, the short-term rating of such institution shall be rated by any nationally recognized rating agency in its highest short-term rating available;

(iv) commercial paper and demand notes (having original maturities of not more than 365 days) of any corporation incorporated under the laws of the United States or any state thereof which on the date of acquisition has a remaining maturity of not more than 30 days and has been rated by any nationally recognized rating agency in its highest short-term rating available;

(v) a money market fund or a qualified investment fund rated by any nationally recognized rating agency in its highest short-term rating available; and

(vi) other obligations or securities that are acceptable to any nationally recognized rating agency as a Permitted Instrument, as evidenced in writing.

provided, however, no instrument shall be a Permitted Investment if it represents, either (1) the right to receive only interest payments with respect to the underlying debt instrument or (2) the right to receive both principal and interest payments derived from obligations underlying such instrument and the principal and interest payments with respect to such instrument provide a yield to maturity greater than 120% of the yield to maturity at par of such underlying obligations. References herein to the highest rating available on unsecured long-term debt shall mean AAA in the case of Standard & Poor's and Fitch and Aaa in the case of Moody's, and references herein to the highest rating available on unsecured commercial paper and short-term debt obligations shall mean A-1 in the case of Standard & Poor's, P-1 in the case of Moody's and either A-1 by Standard & Poor's, P-1 by Moody's or F-1 by Fitch in the case of Fitch.

Section 3.09 Primary Insurance Policies The Company shall not take any action which would result in non-coverage under any applicable mortgage insurance policy or any loss which, but for the actions of the Company, would have been covered thereunder. To the extent coverage is in full force and effect on the Mortgage Loans as of the Cut-off Date, the Company shall keep or cause to be kept in full force and effect each such mortgage insurance policy until the principal balance of the related Mortgage Loan is reduced to 80% or less of the Appraised Value in the case of such a Mortgage Loan having a Loan-to-Value Ratio at origination in excess of 80%. The Company shall pay or cause the premium for each mortgage insurance policy to be paid on a timely basis. The Company shall maintain Primary Insurance Policies to the extent required by, and in accordance with, the Program Guide.

In connection with its activities as servicer, the Company agrees to prepare and present, on behalf of itself, and the Owner, claims to the insurer under any Primary Insurance Policy or LPMI Policy in a timely fashion in accordance with the terms of such policies and, in this regard, to take such action as shall be necessary to permit recovery under any Primary Insurance Policy

or LPMI Policy respecting a defaulted Mortgage Loan. Any amounts collected by the Company under any Primary Insurance Policy or LPMI Policy shall be deposited in the related Custodial Account.

Section 3.10 Maintenance of Hazard Insurance and Errors and Omissions and Fidelity Coverage.

(a) The Company shall cause to be maintained for each Mortgage Loan and on property acquired upon foreclosure, or deed in lieu of foreclosure, of any Mortgage Loan, fire insurance with extended coverage and flood insurance in accordance with the Program Guide. Any amounts applied to the Company under any such policies (other than amounts applied to the restoration or repair of the related Mortgaged Property or property thus acquired or amounts released to the Mortgagor in accordance with the Company's normal servicing procedures) shall be deposited in the Custodial Account, subject to withdrawal pursuant to Section 3.07. In the event that the Company shall obtain and maintain a blanket policy insuring against hazard losses on all of the Mortgage Loans, it shall conclusively be deemed to have satisfied its obligations as set forth in the first sentence of this Section 3.10(a), it being understood and agreed that such policy may contain a deductible clause, in which case the Company shall, in the event that there shall not have been maintained on the related Mortgaged Property a policy complying with the first sentence of this Section 3.10(a) and there shall have been a loss which would have been covered by such policy, deposit in the Custodial Account the amount not otherwise payable under the blanket policy because of such deductible clause. In connection with its activities as administrator and servicer of the Mortgage Loans, the Company agrees to present, on behalf of itself and the Owner, claims under any such blanket policy in a timely fashion in accordance with the terms of such policy.

(b) The Company shall obtain and maintain at its own expense and keep in full force and effect throughout the term of this Agreement a blanket fidelity bond and an errors and omissions insurance policy covering the Company's officers and employees and other persons acting on behalf of the Company in connection with its activities under this Agreement. The amount of coverage shall be at least equal to the coverage that would be required by Fannie Mae or Freddie Mac with respect to the Company if the Company were servicing and administering the Mortgage Loans for Fannie Mae or Freddie Mac in addition to other mortgage loans being serviced and administered by the Company.

Section 3.11 Enforcement of Due-On-Sale Clauses.

(a) When any Mortgaged Property is conveyed, the Company shall declare such Mortgage Loan due and payable and shall enforce any due-on-sale clause contained in any Mortgage Note or Mortgage in accordance with the Program Guide, to the extent permitted under applicable law and governmental regulations, but only to the extent that such enforcement will not adversely affect or jeopardize coverage under any insurance policy. Notwithstanding the foregoing:

(i) the Company shall not be deemed to be in default under this Section 3.11(a) by reason of any transfer or assumption which the Company is restricted by law from preventing; and

(ii) if the Company determines that it is reasonably likely that any Mortgagor will bring, or if any Mortgagor does bring, legal action to declare invalid or otherwise avoid enforcement of a due-on-sale clause contained in any Mortgage Note or Mortgage, the Company shall not be required to enforce the due-on-sale clause or to contest such action.

(b) Subject to the Company's duty to enforce any due-on-sale clause to the extent set forth in Section 3.11(a), in any case in which a Mortgaged Property is to be conveyed to a Person by a Mortgagor, and such Person is to enter into an assumption or modification agreement or supplement to the Mortgage Note or Mortgage which requires the signature of the Owner, or if an instrument of release signed by the Owner is required releasing the Mortgagor from liability on the Mortgage Loan, the Company is authorized, with a fully executed power of attorney by the Owner in each instance, subject to the requirements of the sentence next following, to execute and deliver, on behalf of the Owner, the assumption agreement with the Person to whom the Mortgaged Property is to be conveyed and such modification agreement or supplement to the Mortgage Note or Mortgage or other instruments as are reasonable or necessary to carry out the terms of the Mortgage Note or Mortgage or otherwise to comply with any applicable laws regarding assumptions or the transfer of the Mortgaged Property to such Person. The Company shall execute and deliver such documents only if it reasonably determines that (i) its execution and delivery thereof will not conflict with or violate any terms of this Agreement or cause the unpaid balance and interest on the Mortgage Loan to be uncollectible in whole or in part, (ii) any required consents of insurers under any related insurance policies have been obtained and (iii) subsequent to the closing of the transaction involving the assumption or transfer (A) the Mortgage Loan will continue to be secured by a first mortgage lien pursuant to the terms of the Mortgage, (B) such transaction will not adversely affect the coverage under any related Insurance Policies, (C) the Mortgage Loan will fully amortize over the remaining term thereof, (D) no material term of the Mortgage Loan (including the interest rate on the Mortgage Loan) will be altered nor will the term of the Mortgage Loan be changed and (E) if the seller/transferor of the Mortgaged Property is to be released from liability on the Mortgage Loan, such release will not (based on the Company's or the Subservicer's good faith determination) adversely affect the collectability of the Mortgage Loan. Upon receipt of appropriate instructions from the Company in accordance with the foregoing, the Custodian shall execute any necessary instruments for such assumption or substitution of liability as directed by the Company. Upon the closing of the transactions contemplated by such documents, the Company shall cause the originals or true and correct copies of the assumption agreement, the release (if any), or the modification or supplement to the Mortgage Note or Mortgage to be delivered to the Custodian and deposited with the Mortgage File for such Mortgage Loan. Any fees collected by the Company or the related Subservicer for entering into an assumption or substitution of liability agreement will be retained by the Company or such Subservicer as additional servicing compensation. The Company shall notify the Owner, in writing, of any such assumption, modification, supplement or substitution of liability with respect to any Mortgage Loan and the date thereof.

(c) The Company or the related Subservicer, as the case may be, shall, with the Owner's prior written consent in each instance, be entitled to approve a request from a Mortgagor for a partial release of the related Mortgaged Property, the granting of an easement thereon in favor of another Person, any alteration or demolition of the related Mortgaged Property or other similar matters if it has determined, exercising its good faith business judgment

in the same manner as it would if it were the owner of the related Mortgage Loan, that the security for, and the timely and full collectability of, such Mortgage Loan would not be adversely affected thereby. Any fee collected by the Company or the related Subservicer for processing such a request will be retained by the Company or such Subservicer as additional servicing compensation.

(d) Subject to any other applicable terms and conditions of this Agreement, the Company shall be entitled to approve an assignment in lieu of satisfaction with respect to any Mortgage Loan, provided the obligee with respect to such Mortgage Loan following such proposed assignment provides the Custodian and Company with a "Certification," substantially in the form attached hereto as Exhibit F; (i) that the Mortgage Loan is secured by Mortgaged Property located in a jurisdiction in which an assignment in lieu of satisfaction is required to preserve lien priority, minimize or avoid mortgage recording taxes or otherwise comply with, or facilitate a refinancing under, the laws of such jurisdiction; (ii) that the substance of the assignment is, and is intended to be, a refinancing of such Mortgage Loan and that the form of the transaction is solely to comply with, or facilitate the transaction under, such local laws; (iii) that the Mortgage Loan following the proposed assignment will be modified to have a rate of interest at least 0.25 percent below or above the rate of interest on such Mortgage Loan prior to such proposed assignment and (iv) that such assignment is at the request of the borrower under the related Mortgage Loan. Upon approval of such assignment in lieu of satisfaction with respect to any Mortgage Loan, the Company shall receive cash in an amount equal to the unpaid principal balance of and accrued interest on such Mortgage Loan and the Company shall treat such amount as a Full Prepayment with respect to such Mortgage Loan for all purposes hereof.

Section 3.12 Realization Upon Defaulted Mortgage Loans The Company shall foreclose upon or otherwise comparably convert the ownership of properties securing such of the Mortgage Loans as come into and continue in default and as to which no satisfactory arrangements can be made for collection of delinquent payments pursuant to Section 3.03. In connection with such foreclosure or other conversion, the Company shall, consistent with this Agreement, follow such practices and procedures as it shall deem necessary or advisable and as shall be normal and usual in its general mortgage servicing activities. The foregoing is subject to the proviso that the Company shall not be required to expend its own funds in connection with any foreclosure or towards the restoration of any property unless it shall determine (i) that such restoration and/or foreclosure will increase the proceeds of liquidation of the Mortgage Loan to the Owner after reimbursement to itself for such expenses and (ii) that such expenses will be recoverable to it through Liquidation Proceeds from the related Mortgaged Property, as contemplated in Section 3.07. In the event of a determination by the Company pursuant to this Section 3.12(a), the Company shall be entitled to reimbursement of its funds so expended pursuant to Section 3.07. The Company shall be responsible for all other costs and expenses incurred by it in any such proceeding; provided, however, that it shall be entitled to reimbursement thereof from the related Mortgaged Property, as contemplated in Section 3.07.

(b) Any proceeds collected by the Subservicer and received by the Company with respect to any Mortgage Loan, including without limitation, Insurance Proceeds, Liquidation Proceeds or any other proceeds realized with respect to the sale of the Mortgage Loan (other than any such amounts relating to REO Property) shall be applied as follows: first, to reimburse the Subservicer and the Company for all unreimbursed Monthly Advances with respect to such Mortgage Loan and servicing advances and expenses incurred by the Subservicer and the

Company with respect to such Mortgage Loan in accordance with the Program Guide and this Agreement, including without limitation, taxes, assessments and hazard insurance premiums; second, to pay to the Company any unpaid Servicing Fees and Subservicing Fees owed with respect to the related Mortgage Loan; third, to pay to the Owner an amount equal to accrued and unpaid interest on the Principal Balance of such Mortgage Loan at the Mortgage Loan Remittance Rate to the Due Date prior to the Remittance Date on which such amounts are to be distributed; fourth, to pay to the Owner an amount equal to the Principal Balance of such Mortgage Loan; and fifth, to pay to the Owner any amounts remaining.

Section 3.13 Owner to Cooperate; Release of Mortgage Files Upon becoming aware of the payment in full of any Mortgage Loan or upon the receipt by the Company of a notification that payment in full will be escrowed in a manner customary for such purposes, the Company will immediately notify the Owner and the Custodian by delivering to the Owner and the Custodian a Request for Release. Upon receipt of such Request for Release, the Owner shall promptly cause the Custodian to release the related Mortgage File to the Company. No expenses incurred in connection with any instrument of satisfaction or deed of reconveyance shall be chargeable to funds attributable to the Mortgage Loans on deposit in the Custodial Account.

(b) From time to time as is appropriate for the servicing or foreclosure of any Mortgage Loan, the Company will deliver to the Owner and the Custodian a Request for Release. Upon receipt of such Request for Release, the Owner shall promptly cause the Custodian to deliver the related Mortgage File, as requested, to the Company. The Company shall cause each Mortgage File so released to be returned to the Custodian when the need therefor by the Company no longer exists, unless (i) the Mortgage Loan has been liquidated and the Liquidation Proceeds relating to the Mortgage Loan have been deposited in the Custodial Account or (ii) the Mortgage File or such document has been delivered directly or through a Subservicer to an attorney, or to a public trustee or other public official as required by law, for purposes of initiating or pursuing legal action or other proceedings for the foreclosure of the Mortgaged Property either judicially or non-judicially.

Section 3.14 [Reserved].

Section 3.15 REO Property In the event that title to a Mortgaged Property is acquired in foreclosure or by deed in lieu of foreclosure, the deed or certificate of sale to the REO Property shall be taken in the name designated by the Owner of the related Mortgage Loan on the date (the "Acquisition Date") on which such Mortgaged Property becomes an REO Property, provided, however, that title to the REO Property shall not be taken in the name of the Company unless the Company has obtained an Opinion of Counsel satisfactory to it from an attorney duly licensed to practice law in the State where the REO Property is located to the effect that the Company shall not suffer any adverse tax, financial, regulatory or licensing consequences as a result of obtaining record title to the REO property. The Person or Persons other than the Owner holding record title to an REO Property shall acknowledge in writing that such title is being held as nominee for the Owner.

The Company by itself or through an affiliate shall manage or cause the Subservicer to manage the REO Property in accordance with the terms and provisions of the Program Guide and in a manner that is consistent with the manner in which it would manage its own property, and in a manner that is in the best interests of the Owner. Any proceeds collected

by the Subservicer after the Acquisition Date with respect to the REO Property, including without limitation, insurance, liquidation or any proceeds realized with respect to the sale or rental of the REO Property (collectively, the "Cash Receipts") shall be promptly applied as follows: First, to pay the commission of the broker, if any, who introduced the purchaser of the REO Property to the Subservicer; Second, to reimburse the Subservicer and the Company for all unreimbursed Monthly Advances and pre and post Acquisition Date cash outlays made by the Subservicer and the Company (or such affiliate) with respect to such REO Property in accordance with the Program Guide, including without limitation, taxes, assessments and hazard insurance premiums; and Third, to pay a management fee to the Company in an amount equal to the greater of (a) \$125 per month for each month which has expired since the Acquisition Date, and (b) \$1,000. All Cash Receipts remaining thereafter shall be distributed to the Owner on the Remittance Date which occurs in the month following the sale of the REO Property.

Upon prior written notice to the Company, the Owner shall have the right, but not the obligation, to request the transfer of servicing of any Mortgaged Property that becomes an REO property from the Company to the Owner, or as otherwise designated by the Owner. Such notice shall be provided within 30 days of the Mortgaged Property becoming an REO property. All unreimbursed Monthly Advances and pre and post Acquisition Date cash outlays made by the Subservicer and the Company (or any affiliate) with respect to such REO property shall be deducted from the Remittance Amount, on any subsequent Remittance Date until reimbursed in full. Such transfer shall occur 10 Business Days after the date of such written notice or such date as is mutually agreeable to the Company and the Owner. After the date of such transfer, the Company shall have no further obligation hereunder to service or remit funds with respect to such REO Property.

The Company shall report monthly and use its best efforts to dispose of the REO Property as soon as possible and shall sell such REO Property in any event within three years after title has been taken to such REO Property, unless (i) a REMIC election has not been made with respect to the arrangement under which the Mortgage Loans and the REO Property are held, and (ii) the Company determines, and gives an appropriate notice to the Owner to such effect, that a longer period is necessary for the orderly liquidation of such REO Property. If a period longer than three years is permitted under the foregoing sentence and is necessary to sell any REO Property, the Company shall report monthly to the Owner as to the progress being made in selling such REO Property.

The Company and the Owner hereby agree that the Subservicer shall be relieved of its obligation, as set forth in the Program Guide, to advance to the Company on the 18th day of the month following the Acquisition Date uncollected principal and net interest with respect to the Mortgage Loan relating to the REO Property.

Section 3.16 Compensating Interest. Notwithstanding any other provisions contained herein, the amount of servicing compensation that the Company shall be entitled to receive for its activities hereunder for the period ending on each Remittance Date shall be reduced (but not below zero) by an amount equal to Compensating Interest (if any) for such Remittance Date. Such reduction shall be applied during such period as follows: first, to any Servicing Fee or Subservicing Fee to which the Company is entitled pursuant to Section 3.07, and second, to any income or gain realized from any investment of funds held in the Custodial Account to which the Company is entitled pursuant to Section 3.08. In making such reduction, the Company (i) will

not withdraw from the Custodial Account any such amount representing all or a portion of the Servicing Fee to which it is entitled pursuant to Section 3.07, and (ii) will not withdraw from the Custodial Account any such amount to which it is entitled pursuant to Section 3.08.

Section 3.17 Filing Requirements In the event that the Mortgage Loans in a Mortgage Pool are transferred by the Owner directly or indirectly to a securitization trust (a "Securitization Trust"), other than pursuant to Section 3.18(a), then, upon request of the Owner or any other person as specified in the related pooling and servicing agreement or similar agreement (and except as otherwise specified therein), the Company shall cause the servicing officer in charge of servicing of the Company to execute and deliver a certification (the "Backup Certification") in the form attached hereto as Exhibit H in connection with such Securitization Trust, not later than March 20 of each calendar year following the first fiscal year of the Securitization Trust; provided that such Backup Certification shall no longer be required if periodic reports under the Securities Exchange Act of 1934 are no longer required with respect to the Securitization Trust.

Section 3.18 Securitization.

(a) The Company and the Owner agree that with respect to some or all of the Mortgage Loans, the Owner may effect either one or more Securitization Transactions. The Owner and the Company agree that in connection with the completion of a Securitization Transaction, the Company shall:

(i) provide the Owner with an Officer's Certificate on behalf of the Company that restates as of the Reconstitution Date all representations and warranties made by the Company pursuant to Section 2.04(a) of this Agreement and to restate the representations and warranties made by the Company in Section 2.04(b) as of the Closing Date on which such Mortgage Loans were purchased by the Initial Owner pursuant to this Agreement, together with any additional reasonable representations and warranties which may be required by the rating agencies in connection with the Securitization Transaction, which shall be mutually agreed upon by the Company and the Owner and shall be standard representations and warranties for Securitization Transactions involving mortgage loans similar to the Mortgage Loans and shall not impose any additional obligations or liabilities on the Company than are set forth in this Agreement;

(ii) cooperate with the Owner with respect to reasonable requests which have been made by the Owner by prior notice and if the Company is required to be a party to any of the Reconstitution Agreements, execute any Reconstitution Agreement, subject to the provisions of this Section 3.18, and subject to the mutual agreement between the Owner and the Company as to the terms thereof, within a reasonable period of time, but in no event shall any prior notice and request to execute a Reconstitution Agreement be made to the Company less than ten (10) days prior to the date such Reconstitution Agreement is to be executed;

(iii) provide to any master servicer or trustee, as applicable, and/or the Owner, as of a recent date prior to the Securitization Transaction, any and all publicly available information and appropriate verification of information which may be reasonably available to the Company, whether through letters of its auditors and counsel or otherwise, as the Owner, trustee or a master servicer shall reasonably request as to the

related Mortgage Loans and that is customary information for a Securitization Transaction;

(iv) agree to service the Mortgage Loans in accordance with the requirements of the Securitization Transaction, including, without limitation, servicing the Mortgage Loans in accordance with the requirements of the applicable Agency if the Securitization Transaction is to an Agency, or servicing the Mortgage Loans in accordance with the requirements of the private label securitization if the Securitization Transaction is to a private label securitization; provided that no such servicing requirements shall impose any additional obligations or liabilities on the Company than are set forth in this Agreement unless mutually agreed upon by the Company and the Owner;

(v) deliver to the Owner an Opinion of Counsel with respect to the enforceability of the Reconstitution Agreement against the Company, it being understood that the cost of any Opinion of Counsel for outside counsel shall be the responsibility of the Owner, subject to Section 3.18(b); and

(vi) provide all other assistance reasonably requested by the Owner in connection with effectuation and completion of the Securitization Transaction.

With respect to any Securitization Transaction, the Owner shall be entitled to include in any disclosure document information provided by the Company as required by the rating agencies, and the Company acknowledges and agrees that the related investors will be permitted to rely on such information. The Company shall indemnify the Owner for any untrue statement of any material fact contained in such information, or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading. In addition, the Owner shall indemnify the Company and its affiliates for any untrue statement of any material fact contained in other information contained in any disclosure document, or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading.

(b) The Owner shall reimburse the Company for all reasonable out-of-pocket costs and expenses (including auditor and legal fees) incurred in connection with any Securitization Transaction; provided, however, that all amounts required to be paid by the Owner pursuant to this clause (b) shall be subject to the prior notice and approval of the Owner, such approval not to be unreasonably withheld; and provided, further, that such legal fees for the first such Securitization Transaction shall not exceed \$20,000 and shall not exceed \$10,000 for any additional Securitization Transaction.

(c) All Mortgage Loans not sold or transferred pursuant to Section 2.03 or a Securitization Transaction shall be subject to this Agreement and shall continue to be serviced in accordance with the terms of this Agreement and with respect thereto this Agreement shall remain in full force and effect.

Section 3.19 Credit Risk Advisor The Owner may in its discretion designate an entity to act as credit risk advisor for the Mortgage Loans; provided that (a) the credit risk advisor shall

have no control over the servicing activities of the Company under the related pooling and servicing agreement, (b) the credit risk advisor must execute a confidentiality agreement and other documentation customarily used by the Company in connection with similar transactions, in forms acceptable to the Company in its reasonable discretion, and (c) the Company shall not be required to alter its computer programs or customary servicing practice without the Company's consent or to incur any expenses to provide such reports in any manner that is inconsistent with the Company's reporting procedures as of the date hereof, unless the Owner shall reimburse the Company for the costs associated with such customized reports.

Section 3.20 Notification of Adjustments.

With respect to each Adjustable Rate Mortgage Loan, the Company shall adjust the Mortgage Interest Rate on the related Adjustment Date and shall adjust the Monthly Payment on the related payment adjustment date in compliance with the requirements of applicable law and the related Mortgage and Mortgage Note. If, pursuant to the terms of the Mortgage Note, another index is selected for determining the Mortgage Interest Rate because the original index is no longer available, the same index will be used with respect to each Mortgage Note that requires a new index to be selected, provided that such selection does not conflict with the terms of the related Mortgage Note. The Company shall execute and deliver any and all necessary notices required under applicable law and the terms of the related Mortgage Note and Mortgage regarding the Mortgage Interest Rate and the Monthly Payment adjustments. The Company shall promptly upon written request thereof, deliver to the Owner such notifications and any additional applicable data regarding such adjustments and the methods used to calculate and implement such adjustments.

Section 3.21 Superior Liens.

With respect to each Second Lien Mortgage Loan, the Company shall, for the protection of the Owner's interest, file (or cause to be filed) of record a request for notice of any action by a superior lienholder where permitted by local law and whenever applicable state law does not require that a junior lienholder be named as a party defendant in foreclosure proceedings in order to foreclose such junior lienholder's equity of redemption. The Company shall also notify any superior lienholder in writing of the existence of the Mortgage Loan and request notification of any action (as described below) to be taken against the Mortgagor or the Mortgaged Property by the superior lienholder.

If the Company is notified that any superior lienholder has accelerated or intends to accelerate the obligations secured by the superior lien, or has declared or intends to declare a default under the superior mortgage or the promissory note secured thereby, or has filed or intends to file an election to have the Mortgaged Property sold or foreclosed, the Company shall take whatever actions are necessary to protect the interests of the Owner, and/or to preserve the security of the related Mortgage Loan, subject to any requirements applicable to real estate mortgage investment conduits pursuant to the Code. The Company shall make a Servicing Advance of the funds necessary to cure the default or reinstate the superior lien if the Company determines that such Servicing Advance is in the best interests of the Owner. The Company shall not make such a Servicing Advance except to the extent that it determines in its reasonable good faith judgment that such advance will be recoverable from Liquidation Proceeds on the related Mortgage Loan.

If the Mortgage relating to a Mortgage Loan had a lien senior to the Mortgage Loan on the related Mortgaged Property as of the related Cut-off Date, then the Company, in its capacity as servicer, may consent to the refinancing of the prior senior lien, provided that the following requirements are met:

1. the resulting Combined Loan-to-Value Ratio of such Mortgage Loan is no higher than the Combined Loan-to-Value Ratio prior to such refinancing; and
2. the interest rate, or, in the case of an adjustable rate existing senior lien, the maximum interest rate, for the loan evidencing the refinanced senior lien is no more than 2.0% higher than the interest rate or the maximum interest rate, as the case may be, on the loan evidencing the existing senior lien immediately prior to the date of such refinancing; and
3. the loan evidencing the refinanced senior lien is not subject to negative amortization.

ARTICLE IV

PAYMENTS TO THE OWNER

Section 4.01 Distributions On each Remittance Date the Company shall distribute to the Owner of record on the next preceding Record Date in immediately available funds (by wire transfer), to the account of such Owner in accordance with the wire instructions set forth in, or provided to the Company in accordance with, Section 8.04, the Remittance Amount payable to such Owner.

Section 4.02 Statements to the Owner Concurrently with each distribution charged to the Custodial Account, the Company shall forward by mail to the Owner, and deliver to the Owner via electronic format (which shall be provided in Excel format and delivered via email to DBWholeLoanOps@List,DB.com), a statement setting forth certain information in respect of the Mortgage Loans including:

- (i) the amount, if any, of such distribution allocable to principal and/or interest;
- (ii) the amount of related servicing compensation received by the Company and the Subservicer and such other customary information as the Owner reasonably requests to enable the Owner to prepare its tax returns to the extent reasonably available to the Company;
- (iii) the number and aggregate Principal Balance of the Mortgage Loans at the close of business on such Remittance Date after giving effect to all distributions allocable to principal made on such Remittance Date, including, for this purpose, the Principal Balances of all Mortgage Loans purchased pursuant to Section 2.02 or 2.04 the proceeds of which are being distributed on such Remittance Date;
- (iv) on the basis of the most recent reports furnished to it by the Subservicer, the number and aggregate principal balances of Mortgage Loans in each Mortgage Pool delinquent (a) one month, (b) two months, (c) three or more months, and (d) the number and aggregate balance of Mortgage Loans that are in foreclosure;
- (v) the number and aggregate balance of REO Properties; and
- (vi) the Pass-Through Rate for such Remittance Date.

Within a reasonable period of time after the end of each calendar year, the Company shall furnish to the Owner a statement containing the information set forth in clauses (i) and (ii) above aggregated for such calendar year. Such obligation of the Company shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Company pursuant to any requirements of the Code as from time to time in force.

Section 4.03 Distribution Reports; Monthly Advances by the Company Prior to the close of business on the Business Day next succeeding each Determination Date, the Company shall forward by mail to the Owner, and deliver to the Owner via electronic format (which shall be provided in Excel format and delivered via email to DBWholeLoanOps@List.DB.com), a statement to the Owner setting forth the amount to be distributed on the next succeeding Remittance Date on account of principal of and interest on the Mortgage Loans. Prior to such time as title to a Mortgaged Property is acquired in foreclosure or by deed in lieu of foreclosure, on or before each Remittance Date, the Company shall either (i) deposit in the Custodial Account an amount equal to the Monthly Advance, if any, or (ii) cause to be made an appropriate entry in the records of the Custodial Account that funds in such account that are being held for future distribution or withdrawal or which do not belong to the Owner have been used by the Company in discharge of any such Monthly Advance or (iii) make advances in the form of any combination of (i) and (ii) aggregating the amount of such Monthly Advance. Any funds being held for future distribution to the Owner and so used shall be replaced by the Company by deposit in the Custodial Account on the next Remittance Date. No Monthly Advance shall be required to be made hereunder by the Company if such Monthly Advance would, if made, constitute a Nonrecoverable Monthly Advance. The determination by the Company that it has made a Nonrecoverable Monthly Advance or that any proposed Monthly Advance, if made, would constitute a Nonrecoverable Monthly Advance, shall be evidenced by an Officers' Certificate delivered to the Owner.

Section 4.04 Reports and Returns to be Filed by the Company The Company shall file information reports with respect to the receipt of mortgage interest received in a trade or business, reports of foreclosures and abandonments of any Mortgaged Property and information returns relating to cancellation of indebtedness income with respect to any Mortgaged Property as required by Sections 6050H, 6050J and 6050P of the Code. Such reports shall be in form and substance sufficient to meet the reporting requirements imposed by such Sections 6050H, 6050J and 6050P of the Code.

ARTICLE V

THE COMPANY

Section 5.01 Liability of the Company and Others. The Company shall be liable in accordance herewith only to the extent of the obligations specifically imposed upon and undertaken by the Company herein.

Neither the Company, nor any of the directors, officers, employees or agents of the Company shall be under any liability to any Owner for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement, or for errors in judgment; provided, however, that this provision shall not protect the Company or any such person against any breach of warranties or representations made herein or any liability which would otherwise be imposed by reason of its willful misfeasance, bad faith or negligence in the performance of duties or by reason of reckless or negligent disregard of obligations and duties hereunder. The Company and any director, officer, employee or agent of the Company may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. Notwithstanding the foregoing, the Company shall indemnify the Owner for any loss or liability incurred by such Owner arising (i) from any breach of warranty or representation of the Company made herein that materially and adversely affects the interests of the Owner or (ii) by reasons of willful misfeasance, bad faith or negligence of the Company in the performance of its duties hereunder or by reason of reckless or negligent disregard of its obligations and duties hereunder. The Owner shall indemnify the Company for any loss or liability incurred by the Company arising from any breach of the Agreement by the Owner, including any breach of warranty or representation of the Owner made herein that materially and adversely affects the interests of the Company.

The Company shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties under this Agreement and which in its opinion may involve it in any expense or liability; provided, however, that the Company may in its discretion undertake any such legal action which it may deem necessary or desirable in respect to this Agreement and the rights and duties of the parties hereto. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs and liabilities payable or reimbursable out of the Custodial Account as provided by Section 3.07 and, notwithstanding any other provision hereof, distributions pursuant to Section 4.01 shall be reduced accordingly.

Section 5.02 Merger or Consolidation of the Company. The Company will keep in full effect its existence, rights and franchises as a corporation under the laws of the State of Delaware, and will obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement or any of the Mortgage Loans and to perform its duties under this Agreement.

Any Person into which the Company may be merged or consolidated, or any corporation resulting from any merger or consolidation to which the Company shall be a party,

or any Person succeeding to the business of the Company, shall be the successor of the Company hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, but subject to the qualifications for a Successor Servicer pursuant to Section 8.01.

Section 5.03 Company Resignation; Assignment of Agreement. The Company may assign this Agreement or resign from the obligations and duties hereby imposed on it upon 60 days prior written notice to the Owner. No assignment shall be effective unless the assignee satisfies the qualifications for a Successor Servicer pursuant to Section 8.01. Upon the Company's resignation, and except as otherwise provided in this Agreement, the Company's responsibilities, duties, rights and obligations shall terminate, including its right to receive the Servicing Fee for servicing the Mortgage Loans and the Owner shall either assume the responsibilities, duties, rights and obligations of the Company or appoint a Successor Servicer. No such resignation shall become effective until a successor which satisfies the requirements of Section 8.01 and is mutually acceptable to the Company and the Owner has assumed the Company's duties hereunder, unless a determination has been made that the Company's duties hereunder are no longer permissible under applicable law. The Owner shall have the right to assign this Agreement pursuant to Section 2.03.

Section 5.04 Compliance with REMIC Provisions. If a REMIC election has been made with respect to the arrangement under which the Mortgage Loans and REO Property are held, the Company shall not take any action, cause the REMIC to take any action or fail to take (or fail to cause to be taken) any action that, under the REMIC Provisions, if taken or not taken, as the case may be, could (i) endanger the status of the REMIC as a REMIC or (ii) result in the imposition of a tax upon the REMIC (including but not limited to the tax on "prohibited transactions" as defined in Section 860(a)(2) of the Code and the tax on "contributions" to a REMIC set forth in Section 860(d) of the Code) unless the Company has received an Opinion of Counsel (at the expense of the party seeking to take such an action) to the effect that the contemplated action will not endanger such REMIC status or result in the imposition of any such tax.

Section 5.05 Right to Examine Company Records. The Owner, or its designee, shall have the right to examine and audit any of the related books, records or other information of the Company, whether held by the Company or by another on its behalf, with respect to or concerning this Agreement or the Mortgage Loans, during business hours or at such other times as may be reasonable under applicable circumstances, upon reasonable advance notice. The Owner shall pay its own travel expenses and any other costs and expenses incurred by the Owner and the Company associated with such examination.

The Company shall provide to the Owner and any supervisory agents or examiners which may relate to the Owner access to any documentation regarding the Mortgage Loans which may be required by any applicable regulations, including but not limited to any disaster recovery/business continuity plan and/or any measures taken by the Company to protect Consumer Information. Such access shall be afforded without charge, upon reasonable request, upon five Business Days prior written notice, during normal business hours and at the offices of the Company, all in accordance with applicable federal government regulations.

ARTICLE VI

DEFAULT

Section 6.01 Events of Default of the Company. Event of Default, wherever used herein, means any one of the following events:

(i) the Company shall fail to remit to the Owner any payment required to be made under the terms of this Agreement and such failure shall continue unremedied for a period of one Business Day after the date upon which written notice or oral notice (promptly confirmed in writing) of such failure, requiring such failure to be remedied, shall have been given to the Company by the Owner; or

(ii) the Company shall fail to observe or perform in any material respect any other of the covenants or agreements on the part of the Company contained in this Agreement as it relates to the Owner and such failure shall continue unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Company by the Owner; or

(iii) a decree or order of a court or agency or supervisory authority having jurisdiction in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or appointing a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Company and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or

(iv) the Company shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of, or relating to, the Company or of, or relating to, all or substantially all of the property of the Company; or

(v) the Company shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of, or commence a voluntary case under, any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or

(vi) the Company ceases to be approved by either Fannie Mae or Freddie Mac (to the extent such entities are then operating in a capacity similar to that in which they operate on the date of this Agreement) as a mortgage loan servicer; or

(vii) any rating agency lowers the Company's servicing rating anytime after the date of this Agreement by more than two rating levels; or

(viii) failure by the Company to duly perform, within the required time period, its obligations under Sections 3.14 or 3.17 which failure continues unremedied for

a period of five (5) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Company by any party to this Agreement or by any master servicer responsible for master servicing the Mortgage Loans pursuant to a securitization of such Mortgage Loans.

If an Event of Default described in this Section shall occur, then, and in each and every such case, so long as such Event of Default shall not have been remedied, the Owner by notice in writing to the Company, may terminate all of the rights and obligations of the Company under this Agreement other than its right to receive servicing compensation for servicing the Mortgage Loans hereunder during any period prior to the date of such termination and may exercise any and all other remedies available at law or equity; provided, however, that any liability of the Company under this Agreement arising prior to such termination shall survive. On or after the receipt by the Company of such written notice, all authority and power of the Company under this Agreement shall, in accordance with Section 8.01, pass to and be vested in the Owner or the Successor Servicer appointed pursuant to Section 8.01. If the Company obtains knowledge of an Event of Default, the Company shall promptly notify the owner thereof.

Section 6.02 Waiver of Defaults. The Owner may waive such default by the Company in the performance of its obligations hereunder and its consequences. Upon any such waiver of a past default, such default shall cease to exist, and any Event of Default, as defined in Section 6.01, arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived.

ARTICLE VII

TERMINATION

Section 7.01 Termination. The obligations and responsibilities of the Company hereunder shall terminate upon the earlier of: (i) the later of the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan in the Mortgage Pool and the remittance of all funds due hereunder or (ii) by mutual consent of the Company and the Owner in writing.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01 Successor to the Company. Any successor servicer appointed as provided herein (the "Successor Servicer") shall be an institution (i) having a GAAP net worth of not less than \$25,000,000, (ii) which is a Fannie Mae or Freddie Mac approved seller/servicer in good standing and (iii) have a servicer rating from each rating agency no lower than one rating level below the servicer rating of the Servicer as of the date hereof, and shall execute, acknowledge and deliver to the Company and the Owner an instrument accepting such appointment, whereupon such Successor Servicer shall succeed to the rights and obligations of the Company under the Subservicing Agreements and shall become fully vested with all the rights, powers, duties, responsibilities, obligations and liabilities of the Company with like effect as if originally named as a party to this Agreement. The Successor Servicer shall promptly deliver a copy of any such instrument to the Custodian. In connection with the termination or resignation of the Company as servicer hereunder, either (i) the Successor Servicer shall represent and warrant that it is a member of MERS in good standing and shall agree to comply in all material respects with the rules and procedures of MERS in connection with the servicing of the Mortgage Loans that are registered with MERS, or (ii) the Company shall cooperate with the Successor Servicer in causing MERS to execute and deliver an Assignment of Mortgage in recordable form to transfer the Mortgage from MERS to the Owner and to execute and deliver such other notices, documents and other instruments as may be necessary or desirable to effect a transfer of such Mortgage Loan or servicing of such Mortgage Loan on the MERS® System to the Successor Servicer. The Company shall file or cause to be filed any such assignment in the appropriate recording office. The Successor Servicer shall cause such assignment to be delivered to the Custodian promptly upon receipt of the original with evidence of recording thereon or a copy certified by the public recording office in which such assignment was recorded.

Section 8.02 Entire Agreement; Amendment. This Agreement may be amended from time to time by the Company and the Owner by written agreement signed by the Company and the Owner. This Agreement shall constitute the entire agreement between the parties.

Section 8.03 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 8.04 Notices. All demands and notices hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, postage prepaid, or sent by overnight courier to (a) in the case of the Company, Residential Funding Company, LLC, 8400 Normandale Lake Boulevard, Suite 250, Minneapolis, Minnesota 55437, Attention: Structured Finance, and Residential Funding Company, LLC, 2255 N. Ontario Street, Suite 400, Burbank, California 91504, Attention: Servicing Manager and/or such other address as may hereafter be furnished to the Owner in writing by the Company, (b) in the case of the Initial Owner, 60 Wall Street, New York, New York 10005, Attention: Anilesh Ahuja, or such other address or addresses as may hereafter be furnished to the Company in writing by the Initial Owner, (c) in the case of any Owner other than the Initial Owner, to such address as may be furnished to the Company in writing by such Owner, and (d) in the case of the Custodian,

Wells Fargo Bank, N.A., 1015 Tenth Avenue Southeast, Minneapolis, Minnesota 55414, Attention: Mortgage Document Custody, or such other address or addresses as may hereafter be furnished to the Company in writing by the Custodian.

Distributions that may be made by wire transfer pursuant to Section 4.01 shall be made in accordance with the wire instructions provided in the Reference Agreement or in accordance with such other instructions as may hereafter be furnished to the Company in writing by the Owner, provided that such instructions have been received by the Company prior to the Record Date.

Section 8.05 Severability of Provisions If any provision of this Agreement or the Reference Agreement shall be for any reason whatsoever held invalid, then such provision shall be deemed severable from the remaining provisions of this Agreement and the Reference Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or the Reference Agreement.

Section 8.06 No Partnership Nothing herein contained shall be deemed or construed to create a co-partnership or joint venture between the parties hereto and the services of the Company shall be rendered as an independent contractor and not as agent for the Owner.

Section 8.07 Exhibits The exhibits to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement.

Section 8.08 Counterparts; Successors and Assigns This Agreement may be executed in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, together, shall constitute one and the same agreement. Subject to Section 5.03, this Agreement shall inure to the benefit of and be binding upon the Company and the Owner and their respective successors and assigns. The parties agree that this Agreement, any documents to be delivered pursuant to this Agreement and any notices hereunder may be transmitted between them by email and/or by facsimile. The parties intend that faxed signatures and electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties. The original documents shall be promptly delivered, if requested.

Section 8.09 Nonsolicitation. From and after the Closing Date, the Company agrees that it will not take any action or cause any action to be taken by any of its employees, agents or affiliates, or by any independent contractors acting on the Company's behalf, to solicit in any manner whatsoever any Mortgagor to prepay or refinance a Mortgage Loan. Notwithstanding the foregoing, it is understood and agreed that promotions undertaken by the Company or any affiliate of the Company which are directed to the general public at large, or segments thereof, provided that no segment shall consist primarily of the borrowers or obligors under the Mortgage Loans, including, without limitation, mass mailing based on commercially acquired mailing lists, newspaper, radio and television advertisements shall not constitute solicitation under this Section 8.09.

Section 8.10 Reference Agreement. In the event of any conflict between the terms of this Agreement and the related Reference Agreement, the Reference Agreement shall control.

Section 8.11 Closing Documents. On or before the initial Closing Date, the Company shall submit to the Initial Owner fully executed originals of the following documents: (i) an Assistant Secretary's Certificate in the form of Exhibit J, hereto, including all attachments thereto, (ii) an Opinion of Counsel to the Company, in the form of Exhibit K hereto, and (iii) an Opinion of Counsel to the Company with respect to the enforceability of the Agreement against the Company.

Section 8.12 Third Party Beneficiary. For purposes of this Agreement, including but not limited to Article IX, any Master Servicer shall be considered a third party beneficiary to this

Agreement entitled to all the rights and benefits accruing to any Master Servicer herein as if it were a direct party to this Agreement.

ARTICLE IX

Section 9.01 Intent of the Parties; Reasonableness.

The Owner and the Company acknowledge and agree that the purpose of Article IX of this Agreement is to facilitate compliance by the Owner and any Depositor with the provisions of Regulation AB and related rules and regulations of the Commission. Although Regulation AB is applicable by its terms only to offerings of asset-backed securities that are registered under the Securities Act, the Company acknowledges that investors in privately offered securities may require that the Owner or any Depositor provide comparable disclosure in unregistered offerings. References in this Agreement to compliance with Regulation AB include provision of comparable disclosure in private offerings. Neither the Owner nor any Depositor shall exercise its right to request delivery of information or other performance under these provisions other than in good faith, or for purposes other than compliance with the Securities Act, the Exchange Act and, in each case, the rules and regulations of the Commission thereunder (or the provision in a private offering of disclosure comparable to that required under the Securities Act) and the Sarbanes-Oxley Act. The Company acknowledges that interpretations of the requirements of Regulation AB may change over time, whether due to interpretive guidance provided by the Commission or its staff, consensus among participants in the asset-backed securities markets, advice of counsel, or otherwise, and agrees to comply with requests made by the Owner, any Master Servicer or any Depositor in good faith for delivery of information under these provisions on the basis of established and evolving interpretations of Regulation AB. In connection with any Securitization Transaction, the Company shall cooperate fully with the Owner and any Master Servicer to deliver to the Owner (including any of its assignees or designees), any Master Servicer and any Depositor, any and all statements, reports, certifications, records and any other information necessary in the good faith determination of the Owner, the Master Servicer or any Depositor to permit the Owner, such Master Servicer or such Depositor to comply with the provisions of Regulation AB, together with such disclosures relating to the Company, any Subservicer, any Third-Party Originator and the Mortgage Loans, or the servicing of the Mortgage Loans, reasonably believed by the Owner or any Depositor to be necessary in order to effect such compliance. In the event of any conflict between Article IX and any other term or provision in this Agreement, the provisions of Article IX shall control.

The Owner (including any of its assignees or designees) shall cooperate with the Company by providing timely notice of requests for information under these provisions and by reasonably limiting such requests to information required to comply with Regulation AB.

Section 9.02 Additional Representations and Warranties of the Company.

(a) The Company hereby represents to the Owner, to any Master Servicer and to any Depositor, as of the date on which information is first provided to the Owner, any Master Servicer or any Depositor under Section 9.03 that, except as disclosed in writing to the Owner, such Master Servicer or such Depositor prior to such date: (i) the Company is not aware and has not received notice that any default, early amortization or other performance triggering event has occurred as to any other securitization due to any default by the Company as a Servicer; (ii) the

Company has not been terminated as servicer in a residential mortgage loan securitization due to a servicing default; (iii) no material noncompliance with the applicable servicing criteria with respect to other securitizations of residential mortgage loans involving the Company as servicer has been disclosed or reported by the Company; (iv) no material changes to the Company's policies or procedures with respect to the servicing function it will perform under this Agreement and any Reconstitution Agreement for mortgage loans of a type similar to the Mortgage Loans have occurred during the three-year period immediately preceding the related Securitization Transaction; (v) there are no changes to the Company's financial condition that could have a material adverse effect on the performance by the Company of its servicing obligations under this Agreement or any Reconstitution Agreement; (vi) there are no legal or governmental proceedings pending (or governmental proceedings known to be contemplated) against the Company, any Subservicer or any Third-Party Originator that are material to investors in the related Securitization Transaction; and (vii) there are no affiliations, relationships or transactions relating to the Company, any Subservicer or any Third-Party Originator with respect to any Securitization Transaction and any party thereto identified by the related Depositor of a type described in Item 1119 of Regulation AB.

(b) If so requested by the Owner, any Master Servicer or any Depositor on any date following the date on which information is first provided to the Owner, any Master Servicer or any Depositor under Section 9.03, the Company shall, within five (5) Business Days following such request, confirm in writing the accuracy of the representations and warranties set forth in paragraph (a) of this Section or, if any such representation and warranty is not accurate as of the date of such request, provide reasonably adequate disclosure of the pertinent facts, in writing, to the requesting party.

Section 9.03 Information to Be Provided by the Company.

In connection with any Securitization Transaction the Company shall (i) within five (5) Business Days following request by the Owner or any Depositor, provide to the Owner and such Depositor (or, as applicable, cause each Third-Party Originator and each Subservicer to provide), in writing and in form and substance reasonably satisfactory to the Owner and such Depositor, the information and materials specified in paragraphs (a), (b), (c) and (g) of this Section, and (ii) as promptly as practicable following notice to or discovery by the Company, provide to the Owner and any Depositor (in writing and in form and substance reasonably satisfactory to the Owner and such Depositor) the information specified in paragraph (d) of this Section.

(a) If so requested by the Owner or any Depositor, the Company shall provide such information regarding (i) the Company, as originator of the Mortgage Loans (including as an acquirer of Mortgage Loans from a Qualified Correspondent), or (ii) each Third-Party Originator, and (iii) as applicable, each Subservicer, as is requested for the purpose of compliance with Items 1103(a)(1), 1105, 1110, 1117 and 1119 of Regulation AB. Such information shall include, at a minimum:

- (i) the originator's form of organization;
- (ii) a description of the originator's origination program and how long the originator has been engaged in originating residential mortgage loans, which description shall include a discussion of the originator's experience in originating mortgage loans of

a similar type as the Mortgage Loans; information regarding the size and composition of the originator's origination portfolio; and information that may be material to an analysis of the performance of the Mortgage Loans, including the originators' credit-granting or underwriting criteria for mortgage loans of similar type(s) as the Mortgage Loans and such other information as the Owner or any Depositor may reasonably request for the purpose of compliance with Item 1110(b)(2) of Regulation AB;

(iii) a description of any legal or governmental proceedings pending (or governmental proceedings known to be contemplated) against the Company, each Third-Party Originator and each Subservicer that would be material to investors in the related Securitization Transaction; and

(iv) a description of any affiliation or relationship, as described in Item 1119 of Regulation AB, between the Company, each Third-Party Originator, each Subservicer and any of the following parties to a Securitization Transaction, as such parties are identified to the Company by the Owner or any Depositor in writing in advance of such Securitization Transaction:

- (1) the sponsor;
- (2) the depositor;
- (3) the issuing entity;
- (4) any servicer;
- (5) any trustee;
- (6) any originator;
- (7) any significant obligor;
- (8) any enhancement or support provider; and
- (9) any other material transaction party.

(b) If so requested by the Owner or any Depositor, the Company shall provide (or, as applicable, cause each Third-Party Originator to provide) Static Pool Information with respect to the mortgage loans (of a similar type as the Mortgage Loans) originated by (i) the Company, if the Company is an originator of Mortgage Loans (including as an acquirer of Mortgage Loans from a Qualified Correspondent), and/or (ii) each Third-Party Originator. Such Static Pool Information shall be prepared by the Company (or Third-Party Originator) on the basis of its reasonable, good faith interpretation of the requirements of Item 1105(a)(1)-(3) of Regulation AB. The content of such Static Pool Information may be in the form customarily provided by the Company, and need not be customized for the Owner or any Depositor. Such Static Pool Information for each vintage origination year or prior securitized pool, as applicable, shall be presented in increments no less frequently than quarterly over the life of the mortgage loans included in the vintage origination year or prior securitized pool. The most recent periodic increment must be as of a date no later than one hundred thirty-five (135) days prior to the date

of the prospectus or other offering document in which the Static Pool Information is to be included or incorporated by reference. The Static Pool Information shall be provided in an electronic format that provides a permanent record of the information provided, such as a portable document format (pdf) file, or other such electronic format reasonably required by the Owner or the Depositor, as applicable.

Promptly following notice or discovery of a material error in Static Pool Information provided pursuant to the immediately preceding paragraph (including an omission to include therein information required to be provided pursuant to such paragraph), the Company shall provide corrected Static Pool Information to the Owner or any Depositor, as applicable, in the same format in which Static Pool Information was previously provided to such party by the Company.

If so requested by the Owner or any Depositor, the Company shall provide (or, as applicable, cause each Third-Party Originator to provide), at the expense of the requesting party (to the extent of any additional incremental expense associated with delivery pursuant to this Agreement), such agreed-upon procedures letters of certified public accountants reasonably acceptable to the Owner or Depositor, as applicable, pertaining to Static Pool Information relating to prior securitized pools for securitizations closed on or after January 1, 2006 or, in the case of Static Pool Information with respect to the Company's or Third-Party Originator's originations or purchases, to calendar months commencing January 1, 2006, as the Owner or such Depositor shall reasonably request. Such letters shall be addressed to and be for the benefit of such parties as the Owner or such Depositor shall designate, which may include, by way of example, any Sponsor, any Depositor and any broker dealer acting as underwriter, placement agent or initial purchaser with respect to a Securitization Transaction. Any such statement or letter may take the form of a standard, generally applicable document accompanied by a reliance letter authorizing reliance by the addressees designated by the Owner or such Depositor.

(c) If so requested by the Owner or any Depositor, the Company shall provide such information regarding the Company, as servicer of the Mortgage Loans, and each Subservicer (each of the Company and each Subservicer, for purposes of this paragraph, a "Servicer"), as is requested for the purpose of compliance with Items 1108, 1111, 1117 and 1119 of Regulation AB. Such information shall include, at a minimum:

(i) the Servicer's form of organization;

(ii) a description of how long the Servicer has been servicing residential mortgage loans; a general discussion of the Servicer's experience in servicing assets of any type as well as a more detailed discussion of the Servicer's experience in, and procedures for, the servicing function it will perform under this Agreement and any Reconstitution Agreements; information regarding the size, composition and growth of the Servicer's portfolio of residential mortgage loans of a type similar to the Mortgage Loans and information on factors related to the Servicer that may be material to any analysis of the servicing of the Mortgage Loans or the related asset-backed securities, as applicable, including, without limitation:

(A) whether any prior securitizations of mortgage loans of a type similar to the Mortgage Loans involving the Servicer have defaulted

because of servicing during the three-year period immediately preceding the related Securitization Transaction;

(B) the extent of outsourcing the Servicer utilizes;

(C) whether there has been previous disclosure of material noncompliance with the applicable servicing criteria with respect to other securitizations of residential mortgage loans involving the Servicer as a servicer during the three-year period immediately preceding the related Securitization Transaction;

(D) whether the Servicer has been terminated as servicer in a residential mortgage loan securitization, due to a servicing default; and

(E) such other information as the Owner or any Depositor may reasonably request for the purpose of compliance with Item 1108(b)(2) of Regulation AB;

(iii) a description of any material changes during the three-year period immediately preceding the related Securitization Transaction to the Servicer's policies or procedures with respect to the servicing function it will perform under this Agreement and any Reconstitution Agreements for mortgage loans of a type similar to the Mortgage Loans;

(iv) information regarding the Servicer's financial condition, to the extent that there is a material risk that an adverse financial event or circumstance involving the Servicer could have a material adverse effect on the performance by the Company of its servicing obligations under this Agreement or any Reconstitution Agreement;

(v) a statement by an authorized officer of the Servicer to the effect that the Servicer has made all advances required to be made on residential mortgage loans serviced by it during the three-year period immediately preceding the related Securitization Transaction, or, if such statement would not be accurate, information regarding the percentage and type of advances not made as required, and the reasons for such failure to advance;

(vi) a description of the Servicer's processes and procedures designed to address any special or unique factors involved in servicing loans of a similar type as the Mortgage Loans;

(vii) a description of the Servicer's processes for handling delinquencies, losses, bankruptcies and recoveries, such as through liquidation of mortgaged properties, sale of defaulted mortgage loans or workouts;

(viii) information as to how the Servicer defines or determines delinquencies and charge-offs, including the effect of any grace period, re-aging, restructuring, partial payments considered current or other practices with respect to delinquency and loss experience;

(ix) a description of any legal or governmental proceedings pending (or governmental proceedings known to be contemplated) against the Servicer that would be material to investors in the related Securitization Transaction;

(x) historical delinquency information with respect to the Mortgage Loans since origination of the Mortgage Loans; and

(xi) a description of any affiliation or relationship, as described in Item 1119 of Regulation AB, between the Servicer and any of the following parties to a Securitization Transaction, as such parties are identified to the Servicer by the Owner or any Depositor in writing in advance of such Securitization Transaction:

- (1) the sponsor;
- (2) the depositor;
- (3) the issuing entity;
- (4) any servicer;
- (5) any trustee;
- (6) any originator;
- (7) any significant obligor;
- (8) any enhancement or support provider; and
- (9) any other material transaction party.

(d) For the purpose of satisfying the reporting obligation under the Exchange Act with respect to any class of asset-backed securities, for so long as the Depositor is required to file reports under the Exchange Act with respect to a Securitization Transaction, the Company shall (or shall cause each Subservicer and Third-Party Originator to) (i) provide prompt notice to the Owner, any Master Servicer and any Depositor in writing of (A) any litigation or governmental proceedings involving the Company, any Subservicer or any Third-Party Originator that would be material to investors in the related Securitization Transaction, (B) any affiliations or relationships of the type described in Item 1119 of Regulation AB that develop following the closing date of a Securitization Transaction between the Company, any Subservicer or any Third-Party Originator and any of the parties specified in clause (D) of paragraph (a) of this Section (and any other parties identified in writing by the requesting party) with respect to such Securitization Transaction, (C) any Event of Default under the terms of this Agreement or any Reconstitution Agreement, (D) any merger, consolidation or sale of substantially all of the assets of the Company, and (E) the Company's entry into a material agreement after the applicable closing date with a Subservicer or Subcontractor to perform or assist in the performance of any of the Company's obligations under this Agreement or any Reconstitution Agreement and (ii) provide to the Owner and any Depositor a description of such proceedings, affiliations or relationships.

(e) As a condition to the succession to the Company or any Subservicer as servicer or subservicer of at least 10% of the pool assets or sub-pool assets in a Securitization Transaction under this Agreement or any Reconstitution Agreement by any Person (i) into which the Company or such Subservicer may be merged or consolidated, or (ii) which may be appointed as a successor to the Company or any Subservicer, the Company shall provide to the Owner and any Depositor, at least 15 calendar days prior to the effective date of such succession or appointment, (x) written notice to the Owner and any Depositor of such succession or appointment and (y) in writing and in form and substance reasonably satisfactory to the Owner and such Depositor, all information reasonably requested by the Owner or any Depositor in order to comply with the Depositor's reporting obligation under Item 6.02 of Form 8-K with respect to any class of asset-backed securities.

(f) In addition to such information as the Company, as servicer, is obligated to provide pursuant to other provisions of this Agreement, not later than ten days prior to the deadline for the filing of any distribution report on Form 10-D in respect of any Securitization Transaction that includes any of the Mortgage Loans serviced by the Company or any Subservicer, the Company or such Subservicer, as applicable, shall, to the extent the Servicer or such Subservicer has knowledge, provide to the party responsible for filing such report (including, if applicable, the Master Servicer) notice of the occurrence of any of the following events along with all information, data, and materials related thereto as may be required to be included in the related distribution report on Form 10-D (as specified in the provisions of Regulation AB referenced below):

(i) any material modifications, extensions or waivers of pool asset terms, fees, penalties or payments during the distribution period or that have cumulatively become material over time (Item 1121(a)(11) of Regulation AB);

(ii) material breaches of pool asset representations or warranties or transaction covenants (Item 1121(a)(12) of Regulation AB); and

(iii) information regarding any material pool asset changes (such as additions, substitutions or repurchases) (Item 1121(a)(14) of Regulation AB).

(g) The Company shall provide to the Owner, any Master Servicer and any Depositor, such additional information as such party may reasonably request, including evidence of the authorization of the person signing any certification or statement, publicly available financial information and reports, and such other information related to the Company or any Subservicer or the Company or such Subservicer's performance hereunder.

Section 9.04 Servicer Compliance Statement.

On or before March 15 of each calendar year, commencing in 2007, the Company shall deliver to the Owner, any Master Servicer and any Depositor a statement of compliance addressed to the Owner, such Master Servicer and such Depositor and signed by an authorized officer of the Company, to the effect that (i) a review of the Company's activities during the immediately preceding calendar year (or applicable portion thereof) and of its performance under this Agreement and any applicable Reconstitution Agreement during such period has been made under such officer's supervision, and (ii) to the best of such officers' knowledge, based on such

review, the Company has fulfilled all of its obligations under this Agreement and any applicable Reconstitution Agreement in all material respects throughout such calendar year (or applicable portion thereof) or, if there has been a failure to fulfill any such obligation in any material respect, specifically identifying each such failure known to such officer and the nature and the status thereof.

Section 9.05 Report on Assessment of Compliance and Attestation.

(a) With respect to each Mortgage Loan that is sold into a Securitization Transaction, on or before March 15 of each calendar year, commencing in 2007, the Company shall:

(i) deliver to the Owner, any Master Servicer and any Depositor a report (in form and substance reasonably satisfactory to the Owner, such Master Servicer and such Depositor) regarding the Company's assessment of compliance with the Servicing Criteria during the immediately preceding calendar year, as required under Rules 13a-18 and 15d-18 of the Exchange Act and Item 1122 of Regulation AB. Such report shall be addressed to the Owner, such Master Servicer and such Depositor and signed by an authorized officer of the Company, and shall address each of the "Applicable Servicing Criteria" specified on Exhibit M hereto;

(ii) deliver to the Owner, any Master Servicer and any Depositor a report of a registered public accounting firm reasonably acceptable to the Owner, such Master Servicer and such Depositor that attests to, and reports on, the assessment of compliance made by the Company and delivered pursuant to the preceding paragraph. Such attestation shall be in accordance with Rules 1-02(a)(3) and 2-02(g) of Regulation S-X under the Securities Act and the Exchange Act;

(iii) cause each Subservicer, and each Subcontractor determined by the Company pursuant to Section 9.06(b) to be "participating in the servicing function" within the meaning of Item 1122 of Regulation AB, and, to the extent required of such Subservicer or Subcontractor under Item 1123 of Regulation AB, an annual compliance certificate as and when provided by Section 9.04, to deliver to the Owner, any Master Servicer and any Depositor an assessment of compliance and accountants' attestation as and when provided in paragraphs (a) and (b) of this Section; and

(iv) if requested by the Owner, any Depositor or any Master Servicer not later than February 1 of the calendar year in which such certification is to be delivered, deliver, and cause each Subservicer and Subcontractor described in clause (iii) above to deliver, to the Owner, any Depositor, any Master Servicer and any other Person that will be responsible for signing the certification (a "Sarbanes Certification") required by Rules 13a-14(d) and 15d-14(d) under the Exchange Act (pursuant to Section 302 of the Sarbanes-Oxley Act of 2002) on behalf of an asset-backed issuer with respect to a Securitization Transaction a certification, signed by the appropriate officer of the Company, in the form attached hereto as Exhibit L.

The Company acknowledges that the parties identified in clause (a)(iv) above may rely on the certification provided by the Company pursuant to such clause in signing a Sarbanes Certification and filing such with the Commission. Neither the Owner, any Depositor

or any Master Servicer will request delivery of a certification under clause (a)(iv) above unless a Depositor is required under the Exchange Act to file an annual report on Form 10-K or any amendment thereto with respect to an issuing entity whose asset pool includes Mortgage Loans.

(b) Each assessment of compliance provided by a Subservicer pursuant to Section 9.05(a)(i) shall address each of the Servicing Criteria specified on a certification substantially in the form of Exhibit M hereto delivered to the Owner concurrently with the execution of this Agreement or, in the case of a Subservicer subsequently appointed as such, on or prior to the date of such appointment. An assessment of compliance provided by a Subcontractor pursuant to Section 9.05(a)(iii) need not address any elements of the Servicing Criteria other than those specified by the Company pursuant to Section 9.06.

Section 9.06 Use of Subservicers and Subcontractors.

The Company shall not hire or otherwise utilize the services of any Subservicer “participating in the Servicing function” within the meaning of Item 1122 of Regulation AB, to fulfill any of the obligations of the Company as servicer under this Agreement or any Reconstitution Agreement unless the Company complies with the provisions of paragraph (a) of this Section. The Company shall not hire or otherwise utilize the services of any Subcontractor, and shall not permit any Subservicer to hire or otherwise utilize the services of any Subcontractor “participating in the Servicing function” within the meaning of Item 1122 of Regulation AB, to fulfill any of the obligations of the Company as servicer under this Agreement or any Reconstitution Agreement unless the Company complies with the provisions of paragraph (b) of this Section.

(a) It shall not be necessary for the Company to seek the consent of the Owner, any Master Servicer or any Depositor to the utilization of any Subservicer. The Company shall cause any Subservicer used by the Company (or by any Subservicer) for the benefit of the Owner and any Depositor to comply with the provisions of this Section and with Sections 9.02, 9.03(c), (e), (f) and (g), 9.04, 9.05 and 9.07 of this Agreement to the same extent as if such Subservicer were the Company, and to provide the information required with respect to such Subservicer under Section 9.03(d) of this Agreement. The Company shall be responsible for obtaining from each Subservicer and delivering to the Owner and any Depositor any servicer compliance statement required to be delivered by such Subservicer under Section 9.04, any assessment of compliance and attestation required to be delivered by such Subservicer under Section 9.05 and any certification required to be delivered to the Person that will be responsible for signing the Sarbanes Certification under Section 9.05 as and when required to be delivered.

(b) It shall not be necessary for the Company to seek the consent of the Owner, any Master Servicer or any Depositor to the utilization of any Subcontractor. The Company shall promptly upon request provide to the Owner, any Master Servicer and any Depositor (or any designee of the Depositor, such as an administrator) a written description (in form and substance reasonably satisfactory to the Owner, such Depositor and such Master Servicer) of the role and function of each Subcontractor utilized by the Company or any Subservicer, specifying (i) the identity of each such Subcontractor, (ii) which (if any) of such Subcontractors are “participating in the servicing function” within the meaning of Item 1122 of Regulation AB, and (iii) which elements of the Servicing Criteria will be addressed in assessments of compliance provided by each Subcontractor identified pursuant to clause (ii) of this paragraph.

(c) As a condition to the utilization of any Subcontractor determined to be "participating in the servicing function" within the meaning of Item 1122 of Regulation AB, the Company shall cause any such Subcontractor used by the Company (or by any Subservicer) for the benefit of the Owner and any Depositor to comply with the provisions of Sections 9.05 and 9.07 of this Agreement to the same extent as if such Subcontractor were the Company. The Company shall be responsible for obtaining from each Subcontractor and delivering to the Owner and any Depositor any assessment of compliance and attestation and the other certifications required to be delivered by such Subservicer and such Subcontractor under Section 9.05, in each case as and when required to be delivered.

Section 9.07 Indemnification; Remedies.

(a) The Company shall indemnify the Owner, each affiliate of the Owner, and each of the following parties participating in a Securitization Transaction: each sponsor and issuing entity; each Person (including, but not limited to, any Master Servicer if applicable) responsible for the preparation, execution or filing of any report required to be filed with the Commission with respect to such Securitization Transaction, or for execution of a certification pursuant to Rule 13a-14(d) or Rule 15d-14(d) under the Exchange Act with respect to such Securitization Transaction; each broker dealer acting as underwriter, placement agent or initial purchaser, each Person who controls any of such parties or the Depositor (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act); and the respective present and former directors, officers, employees, agents and affiliates of each of the foregoing and of the Depositor (each, an "Indemnified Party"), and shall hold each of them harmless from and against any claims, losses, damages, penalties, fines, forfeitures, legal fees and expenses and related costs, judgments, and any other costs, fees and expenses that any of them may sustain arising out of or based upon:

(i) (A) any untrue statement of a material fact contained or alleged to be contained in any information, report, certification, data or other material provided in written or electronic form under this Article IX by or on behalf of the Company, or provided under this Article IX by or on behalf of any Subservicer, Subcontractor or Third-Party Originator (collectively, the "Company Information"), or (B) the omission or alleged omission to state in the Company Information a material fact required to be stated in the Company Information or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, by way of clarification, that clause (B) of this paragraph shall be construed solely by reference to the Company Information and not to any other information communicated in connection with a sale or purchase of securities, without regard to whether the Company Information or any portion thereof is presented together with or separately from such other information;

(ii) any breach by the Company of its obligations under this Article IX, including particularly any failure by the Company, any Subservicer, any Subcontractor or any Third-Party Originator to deliver any information, report, certification, accountants' letter or other material when and as required under this Article IX, including any failure by the Company to identify pursuant to Section 9.06(b) any Subcontractor "participating in the servicing function" within the meaning of Item 1122 of Regulation AB;

(iii) any breach by the Company of a representation or warranty set forth in Section 9.02(a) or in a writing furnished pursuant to Section 9.02(b) and made as of a date prior to the closing date of the related Securitization Transaction, to the extent that such breach is not cured by such closing date, or any breach by the Company of a representation or warranty in a writing furnished pursuant to Section 9.02(b) to the extent made as of a date subsequent to such closing date; or

(iv) the negligence bad faith or willful misconduct of the Company in connection with its performance under this Article IX.

provided, however, that in no event, other than with respect to any indemnification obligations of the Company relating to any Company Information provided by the Company for inclusion in the any prospectus, prospectus supplement, or any private placement memorandum, or in any amendment or supplement thereto, in a Securitization Transaction, will the Company be liable for any consequential or punitive damages pursuant to this Section 2.07, even if advised of the possibility of such damages.

The Initial Owner shall indemnify the Company, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the respective present and former directors, officers, employees, agents and affiliates of each of the foregoing (each, a "Company Indemnified Party;" together with the Owner Indemnified Parties, the "Indemnified Parties"), and shall hold each of them harmless from and against any losses, damages, penalties, fines, forfeitures, reasonable legal fees and expenses and related costs, judgments, and any other costs, fees and expenses that any of them may sustain arising out of or based upon any untrue statement contained or alleged to be contained in any filing with the Commission or the omission or alleged omission to state in any filing with the Commission a material fact required to be stated or necessary to be stated in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement, alleged untrue statement, omission, or alleged omission arose out of or was based upon any information or statement, other than the Company Information, in a filing with the Commission.

If the indemnification provided for herein is unavailable or insufficient to hold harmless an Indemnified Party, then the Company agrees that it shall contribute to the amount paid or payable by such Indemnified Party as a result of any claims, losses, damages or liabilities incurred by such Indemnified Party in such proportion as is appropriate to reflect the relative fault of such Indemnified Party on the one hand and the Company on the other.

In the case of any failure of performance described in clause (a)(ii) of this Section, the Company shall promptly reimburse the Owner, any Depositor, as applicable, and each Person responsible for the preparation, execution or filing of any report required to be filed with the Commission with respect to such Securitization Transaction, or for execution of a certification pursuant to Rule 13a-14(d) or Rule 15d-14(d) under the Exchange Act with respect to such Securitization Transaction, for all costs reasonably incurred by each such party in order to obtain the information, report, certification, accountants' letter or other material not delivered as required by the Company, any Subservicer, any Subcontractor or any Third-Party Originator.

This indemnification shall survive the termination of this Agreement or the termination of any party to this Agreement.

(b) (i) Any failure by the Company, any Subservicer, any Subcontractor or any Third-Party Originator to deliver any information, report, certification, accountants' letter or other material when and as required under this Article IX, or any breach by the Company of a representation or warranty set forth in Section 9.02(a) or in a writing furnished pursuant to Section 9.02(b) and made as of a date prior to the closing date of the related Securitization Transaction, to the extent that such breach is not cured by such closing date, or any breach by the Company of a representation or warranty in a writing furnished pursuant to Section 9.02(b) to the extent made as of a date subsequent to such closing date, shall, except as provided in clause (ii) of this paragraph, immediately and automatically, without notice or grace period, constitute an Event of Default with respect to the Company under this Agreement and any applicable Reconstitution Agreement, and shall entitle the Owner, any Master Servicer or any Depositor, as applicable, in its sole discretion to terminate the rights and obligations of the Company as servicer under this Agreement and/or any applicable Reconstitution Agreement without payment (notwithstanding anything in this Agreement or any applicable Reconstitution Agreement to the contrary) of any compensation to the Company and if the Servicer is servicing any of the Mortgage Loans in a Securitization Transaction, appoint a successor servicer, in accordance with the related securitization agreement, reasonably acceptable to any Master Servicer of such Securitization Transaction; *provided* that to the extent that any provision of this Agreement and/or any applicable Reconstitution Agreement expressly provides for the survival of certain rights or obligations following termination of the Company as servicer, such provision shall be given effect.

(ii) Any failure by the Company, any Subservicer or any Subcontractor to deliver any information, report, certification or accountants' letter when and as required under Sections 9.04 or 9.05, including (except as provided in the following paragraph) any failure by the Company to identify pursuant to Section 9.06(b) any Subcontractor "participating in the servicing function" within the meaning of Item 1122 of Regulation AB, which continues unremedied after the date on which such information, report, certification or accountants' letter was required to be delivered shall immediately constitute an Event of Default with respect to the Company under this Agreement and any applicable Reconstitution Agreement, and shall entitle the Owner, any Master Servicer or any Depositor, as applicable, in its sole discretion to terminate the rights and obligations of the Company as servicer under this Agreement and/or any applicable Reconstitution Agreement without payment (notwithstanding anything in this Agreement to the contrary) of any compensation to the Company; *provided* that to the extent that any provision of this Agreement and/or any applicable Reconstitution Agreement expressly provides for the survival of certain rights or obligations following termination of the Company as servicer, such provision shall be given effect.

Neither the Owner nor any Depositor shall be entitled to terminate the rights and obligations of the Company pursuant to this subparagraph (b)(ii) if a failure of the Company to identify a Subcontractor "participating in the servicing function" within the meaning of Item 1122 of Regulation AB was attributable solely to the role or functions of such Subcontractor with respect to mortgage loans other than the Mortgage Loans.

(iii) The Company shall promptly reimburse the Owner (or any designee of the Owner, such as a master servicer) and any Depositor, as applicable, for all reasonable expenses incurred by the Owner (or such designee) or such Depositor, as such are incurred, in connection with the termination of the Company as servicer and the transfer of servicing of the Mortgage Loans to a successor servicer. The provisions of this paragraph shall not limit whatever rights the Owner or any Depositor may have under other provisions of this Agreement and/or any applicable Reconstitution Agreement or otherwise, whether in equity or at law, such as an action for damages, specific performance or injunctive relief.

IN WITNESS WHEREOF, the Company and the Initial Owner have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

RESIDENTIAL FUNDING COMPANY, LLC

By: _____
Name:
Title: Director

DB STRUCTURED PRODUCTS, INC.

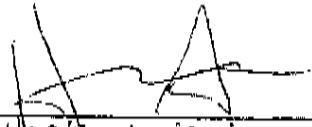
By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Company and the Initial Owner have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

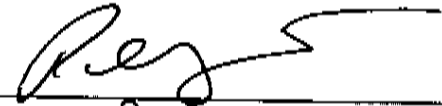
RESIDENTIAL FUNDING COMPANY, LLC

By:


Name: Heather Anderson
Title: Associate

DB STRUCTURED PRODUCTS, INC.

By:


Name: Paul Mangione
Title: Managing Director

By:

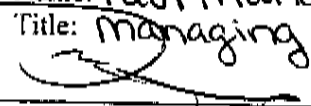

Name: Peter Principato
Title: Director

EXHIBIT D

B 10 Modified (Official Form 10) (12/11)

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK			PROOF OF CLAIM
Name of Debtor and Case Number: Residential Accredited Loans, Inc., Case No. 12-12052			
NOTE: This form should not be used to make a claim for an administrative expense (other than a claim asserted under 11 U.S.C. § 503(b)(9)) arising after the commencement of the case. A "request" for payment of an administrative expense (other than a claim asserted under 11 U.S.C. § 503(b)(9)) may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): Deutsche Bank Securities Inc.		<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	
Name and address where notices should be sent: See attached Addendum		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars. 5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier - 11 U.S.C. §507 (a)(4) <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)() _____ Amount entitled to priority: \$ _____	
Telephone number: See attached Addendum email: See attached Addendum			
Name and address where payment should be sent (if different from above): See attached Addendum			
Telephone number: See attached Addendum email: See attached Addendum			
1. Amount of Claim as of Date Case Filed: \$ <u>See attached Addendum</u> If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
2. Basis for Claim: See attached Addendum (See instruction #2)			
3. Last four digits of any number by which creditor identifies debtor: _____	3a. Debtor may have scheduled account as: _____ (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)	
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input checked="" type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable (when case was filed) Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____			
6. Claim Pursuant to 11 U.S.C. § 503(b)(9): Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before May 14, 2012, the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$ _____ (See instruction #6)			
7. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #7)			
8. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #8, and the definition of "redacted".) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:			
9. Signature: (See instruction #9) Check the appropriate box. <input checked="" type="checkbox"/> I am the creditor. <input type="checkbox"/> I am the creditor's authorized agent. <input type="checkbox"/> I am the trustee, or the debtor, or their authorized agent. <input type="checkbox"/> I am a guarantor, surety, indorser, or other codebtor. (Attach copy of power of attorney, if any.) (See Bankruptcy Rule 3004.) (See Bankruptcy Rule 3005.) I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief. Print Name: _____ Title: _____ Company: Deutsche Bank Securities Inc. Address and telephone number (if different from notice address above): See attached Addendum See attached Addendum Telephone number: _____ Email: _____			
Signature: <u>Patrick McEnerney</u> 10/24/2012 Managing Director (Date)			

* Amounts are subject to adjustment on 4-15-13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

FILED
CLERK OF COURT
DISTRICT OF SOUTHERN
NEW YORK
OCT 25 A 9 23

COURT USE ONLY

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:)
) Chapter 11
)
Residential Capital, LLC, <i>et al.</i> ,) Case No. 12-12020 (MG)
)
Debtors.) Jointly Administered

ADDENDUM TO PROOF OF CLAIM OF DEUTSCHE BANK SECURITIES INC.

I. Introduction

1. On May 14, 2012 (the "Petition Date"), Residential Accredit Loans, Inc. (the "Debtor") and its affiliated debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") thereby commencing the above captioned bankruptcy cases (the "Cases").

2. This proof of claim (the "Proof of Claim") is being filed in the Debtor's bankruptcy case by Deutsche Bank Securities Inc. (the "Claimant") to assert, as discussed in greater detail below, certain claims on behalf of the Claimant. Mr. Jay Strauss is Managing Director of the Claimant and is authorized signatory of the Claimant, and has a business address of 60 Wall Street, New York, NY 10005. Mr. Patrick McEnerney is Managing Director of the Claimant and is authorized signatory of the Claimant, and has a business address of 60 Wall Street, New York, NY 10005. Mr. Strauss and Mr. McEnerney are authorized to file this Proof of Claim.

II. The Claims

3. Prior to the Petition Date, the Claimant, and certain of its affiliates and subsidiaries, and the Debtor, and certain of its affiliates and subsidiaries, entered into: (A) certain underwriting agreements and ancillary agreements related thereto, including, without limitation, the agreements listed on Schedule A, attached hereto (collectively, the "Underwriting Agreements"); (B) certain mortgage loan purchase agreements, mortgage loan purchase and

interim servicing agreements, commitment letters and ancillary agreements related thereto, including, without limitation, the agreements listed on Schedule B, attached hereto (collectively, the “Loan Purchase Agreements”); and (C) certain swap agreements and ancillary agreements related thereto, including, without limitation, the derivative swap agreements listed on Schedule G – Executory Contracts and Unexpired Leases of the Debtor’s Schedules of Assets and Liabilities (collectively, the “Swap Agreements” and together with the Underwriting Agreements and the Loan Purchase Agreements, the “Agreements”).¹

4. In addition to the Agreements, the Claimant has been named or may be named a defendant in existing, potential or threatened litigation, including, without limitation, the proceedings listed on Schedule C, attached hereto, related to the Claimant’s mortgage-backed securities businesses (collectively, the “Proceedings”). The existing, potential, unknown or future plaintiffs in the Proceedings (collectively, the “Plaintiffs”) have asserted or may assert causes of action related to or derived from, without limitation, the transactions involving the Underwriting Agreements and the Loan Purchase Agreements.

5. The Agreements and the Proceedings form the basis for the claims asserted against the Debtor in this Proof of Claim (the “Claims”). Each of the Claims is described more fully below.

A. Claims Based on the Underwriting Agreements

6. Pursuant to the Underwriting Agreements, the Claimant agreed to offer or sell certain mortgage-backed securities issued by common-law trusts established by the Debtor or one of the Debtor’s affiliates or subsidiaries (the “Certificates”).²

¹ Upon information and belief, the Debtor is in possession of copies of the Agreements to which it is a party. Copies of the Agreements, therefore, are not included with this proof of claim because of their voluminous nature and the confidential information contained therein. To the extent the Debtor does not have access to any Agreement discussed herein, the Claimant will use commercially reasonable efforts, upon the Debtor’s reasonable written request to counsel to the Claimant, to provide the Debtor with a copy of such Agreement.

² The Certificates were primarily collateralized by mortgage loans originated or acquired by the Debtor and/or affiliates of the Debtor.

7. The Underwriting Agreements contain representations and warranties of the Debtor, or the Debtor's affiliates or subsidiaries, regarding, among other things, the quality of both the Certificates and the mortgages that underlie the Certificates. Pursuant to the Underwriting Agreements and/or other applicable statutory or common law, the Debtor, among other things, agreed to or is otherwise obligated to indemnify and hold harmless the Claimant from and against any and all claims, losses, damages, judgments, penalties, fines, forfeitures, reasonable legal fees and related costs and any other costs, fees, expenses or liabilities arising out of, caused by or based upon: (i) any breach of representation or warranty made by the Debtor or its affiliates or subsidiaries in the Underwriting Agreements; (ii) any untrue statement or alleged untrue statement of material fact contained in registration statements, prospectuses or other offering documents, as originally filed or amended, for the registration of Certificates (items of this clause (ii), the "Offering Materials") related to any Underwriting Agreement; (iii) any omission or alleged omission to state within the Offering Materials a material fact required to be stated in the Offering Materials or necessary to be stated in the Offering Materials; and/or (iv) material misstatements or omissions or alleged material misstatements or omissions made by the Debtor or its affiliates or subsidiaries in connection with the Underwriting Agreements, the Certificates and/or the Offering Materials (subsections (i) through (iv) of this paragraph 7 collectively, the "Underwriting Indemnification Rights").

8. Accordingly, the Claimant hereby asserts Claims against the Debtor, without limitation, based upon or arising from: (i) the Underwriting Agreements or, without limitation, the Debtor's rejection, future rejection, breach, future breach, modification, future modification, amendment or future amendment thereof; (ii) the Underwriting Indemnification Rights; (iii) the Claimant's contractual, statutory or common law rights of repurchase, indemnity, contribution and/or reimbursement for amounts that have been or may be incurred, liquidated, unliquidated, paid, unpaid, fixed or otherwise contingent; and/or (iv) to the extent not covered in subsections (i) through (iii) of this paragraph 8, any Proceedings, and any legal fees, legal

expenses or judgments related thereto, in which the Plaintiffs assert causes of action against the Claimant in connection with the Plaintiffs' purchase of Certificates from the Claimant as contemplated by the Underwriting Agreements, including, without limitation, in those proceedings where Plaintiffs allege material misstatements or omissions in the Offering Materials. For the avoidance of doubt, this Proof of Claim includes a contingent, unliquidated claim for any claims related to the Underwriting Agreements against the Debtor that may become known to the Claimant in the future.

B. Claims Based on the Loan Purchase Agreements

9. Pursuant to the Loan Purchase Agreements, the Claimant purchased certain mortgage loans or certain pools of mortgage loans from the Debtor or one of the Debtor's affiliates or subsidiaries. In connection with such purchases, the Debtor or one of the Debtor's affiliates or subsidiaries made representations and warranties in the Loan Purchase Agreements concerning the nature and quality of such mortgage loans.

10. The Loan Purchase Agreements contain certain representations and warranties regarding, among other things, the accuracy of the information provided regarding the nature and quality of the mortgage loans being sold pursuant to each Loan Purchase Agreement and the properties underlying the mortgage loans. Pursuant to the Loan Purchase Agreements and/or other applicable statutory or common law, the Debtor, among other things, agreed to or is otherwise obligated to indemnify and hold harmless the Claimant from and against any and all claims, losses, damages, judgments, penalties, fines, forfeitures, reasonable legal fees and related costs and any other costs, fees, expenses or liabilities arising out of or based upon: (i) any breach of representation or warranty made by the Debtor or its affiliates or subsidiaries in the Loan Purchase Agreements; (ii) the failure of the Debtor or its affiliates or subsidiaries to perform its obligations under the Loan Purchase Agreements; (iii) any untrue statement of a material fact contained or alleged to be contained in any information, report, certification, data or other material provided in written or electronic form under the Loan Purchase Agreements by the

Debtor or its affiliates or subsidiaries, or on behalf of any subservicer, subcontractor or third-party originator or the omission or alleged omission to state "material facts" (as defined under the relevant Loan Purchase Agreement and as required to be stated by the Loan Purchase Agreement); and/or (iv) willful misfeasance, bad faith or negligence of the Debtor or its affiliates or subsidiaries in the performance of its duties under the Loan Purchase Agreements or by reason of reckless or negligent disregard of its obligations and duties under the Loan Purchase Agreements (subsections (i) through (iv) of this paragraph 10 collectively, the "Loan Purchase Indemnification Rights").

11. Accordingly, the Claimant hereby asserts Claims against the Debtor, without limitation, based upon or arising from: (i) the Loan Purchase Agreements or, without limitation, the Debtor's rejection, future rejection, breach, future breach, modification, future modification, amendment or future amendment thereof; (ii) the Loan Purchase Indemnification Rights; (iii) the Claimant's contractual, statutory or common law rights of repurchase, indemnity, contribution and/or reimbursement for amounts that have been or may be incurred, liquidated, unliquidated, paid, unpaid, fixed or otherwise contingent; and/or (iv) to the extent not covered in subsections (i) through (iii) of this paragraph 11, any Proceedings, and any legal fees, legal expenses or judgments related thereto, in which the Plaintiffs assert causes of action against the Claimant in connection with mortgage-backed securities issued by the Claimant but collateralized by loans purchased by the Claimant from the Debtor, or one of the Debtor's affiliates or subsidiaries, pursuant to a Loan Purchase Agreement. For the avoidance of doubt, this Proof of Claim includes a contingent, unliquidated claim for any claims related to the Loan Purchase Agreements against the Debtor that may become known to the Claimant in the future.

III. General, No Waiver and Reservation of Rights

12. No judgment has been rendered on the Claim asserted in this Proof of Claim.

13. In addition to the Claim set forth above, Claimant asserts against the Debtor any and all other prepetition and postpetition amounts and liabilities in respect of the Agreements and any other documents related thereto, including, without limitation, breach, interest, premiums, costs, expenses, attorneys' and professionals' fees and disbursements, and any and all indemnification obligations arising out of the Proceedings. Various provisions of the Agreements provide the Claimant with the right to the reimbursement of its legal fees, costs and expenses by the Debtor incurred by the Claimant in connection with the Debtor's failure to perform its obligations under the Agreements and Proceedings, and the Claimant hereby expressly asserts its claims to such reimbursement and reserves its rights to assert such claims to the extent further claims are discovered.

14. The Claimant reserves the right to amend or supplement this Proof of Claim in any manner, including, without limitation, to specify the amount of the Claimant's currently contingent, unmatured and/or unliquidated claims as they become non-contingent, matured and/or liquidated and to reflect additional claims under the Agreements and the Proceedings to the extent such claims are discovered after the filing of the Proof of Claim. The Claimant is continuing to review and analyze its business relationships and agreements with the Debtor and intends to file additional proof(s) of claims before the Bar Date. This Proof of Claim shall not prejudice the rights of the Claimant to file any other requests for payment or proofs of claim, including, without limitation, requests related to the claims asserted herein. The Claimant reserves the right to withdraw this Proof of Claim for any reason whatsoever. The Claimant further reserves the right to file additional Proofs of Claim for additional claims at any time, either before or after the Bar Date.

15. Additionally, with respect to any claim of the Claimant that arises from the rejection, modification, amendment or assumption of an executory contract or unexpired lease by Debtor, including, without limitation, the Swap Agreements and/or any other Agreement, the Claimant specifically reserves that right to amend this Proof of Claim or to file additional proofs of claim in connection with such rejection, modification, amendment or assumption, as described in paragraph 8 of the *Debtors' Order Establishing Deadline for Filing Proofs of Claim*, at 5, ¶ 8, In re Residential Capital, LLC, Case No. 12-12020 (MG) (Bankr. S.D.N.Y. Aug. 29, 2012) [Dkt. No. 1309].

16. Each of these Claims is filed in addition to, and not in lieu of or as an amendment to, any other claim or proof of claim filed by or on behalf of the Claimant, the parent of the Claimant, any division of the Claimant, or any subsidiary or affiliate of the Claimant and against the Debtor or and other debtor in the Cases.

17. The Claimant does not waive any right or rights of action that it has or may have against the Debtor or any other person or persons and does not waive any substantive or procedural defenses to any claim that may be asserted against the Claimant by the Debtor or any other person. Without limiting the foregoing, this Proof of Claim is not intended to be, and shall not be construed as: (i) an election of remedies; (ii) a waiver of any defaults; (iii) a waiver or limitation of any of the Claimant's rights, remedies, claims or interests under applicable law against the Claimant or any other person or entity; (iv) a waiver of any setoff or recoupment rights under applicable law; (v) a waiver of any netting rights under applicable law; (vi) a waiver of the Claimant's property or ownership rights (legal or equitable); (vii) a waiver of the Claimant's legal, equitable or beneficial interests; and/or (viii) an admission by the Claimant that any property held by the Debtor (or any subsidiary or affiliate thereof) is property of the estate.

18. By filing this Proof of Claim, the Claimant does not submit itself to the jurisdiction of the Bankruptcy Court for any purpose other than with respect to the adjudication of this Proof of Claim.

19. The filing of this Proof of Claim shall not be deemed or construed as:

(i) consent by the Claimant to a jury trial in the Bankruptcy Court or any other court in any proceeding as to any and all matters so triable herein or in any case, controversy or proceeding related hereto, pursuant to 28 U.S.C. § 157(e) or otherwise; (ii) a waiver of the right of the Claimant to trial by jury in any proceeding so triable herein or in any case controversy or proceeding related hereto, notwithstanding the designation or not of such matters as “core proceedings” pursuant to 28 U.S.C. § 157(b)(2), and whether such jury trial is pursuant to statute or the United States Constitution; (iii) a waiver of the right of the Claimant to have final orders in non-core matters entered only after *de novo* review by a District Court judgment; (iv) a waiver of the right of the Claimant to assert that 28 U.S.C. § 157(b)(2)(C) is unconstitutional, which right is expressly reserved; (v) a waiver of the right of the Claimant to have the reference withdrawn by the District Court in any matter subject to mandatory or discretionary withdrawal; (vi) a waiver of any past, present, or future event of default; and/or (vii) a waiver or limitation of any rights of the Claimant, including, without limitation, a waiver of obligations owing to the Claimant, rights, claims, actions, defenses, set-offs or recoupments to which the Claimant is or may be entitled under agreements, in law or in equity, against any of the Debtor (or any subsidiary, or affiliate thereof) or any other person, including without limitation, rights against guarantors, officers or directors, or the right to contest the validity priority or extent of any right or interest purported to be equal, senior or inferior to any right or interest of the Claimant, all of

which rights, claims, actions, defenses, set-offs and recoupments are expressly reserved by the Claimant.

[Remainder of Page Intentionally Left Blank]

20. All notices and communications concerning this Proof of Claim should be addressed as follows:

Deutsche Bank Securities Inc.
Jay Strauss, Managing Director
Patrick McEnerney, Managing Director
60 Wall Street
New York, NY 10005

With copies to:

Richard D. Owens
Aaron M. Singer
LATHAM & WATKINS LLP
885 Third Avenue
New York, NY 10022
(212) 906-1200
Richard.Owens@lw.com
Aaron.Singer@lw.com

Dated as of October 24, 2012

SCHEDULE A

UNDERWRITING AGREEMENTS

SCHEDULE A

UNDERWRITING AGREEMENTS

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
DB Structured Products, Inc.	GMAC Mortgage, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust, Series 2007-OA1	February 28, 2007
DB Structured Products, Inc.	GMAC Mortgage, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust Series 2007-RAMP1	February 16, 2007
DB Structured Products, Inc.	Residential Funding Company, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust, Series 2007-OA1	February 28, 2007
DB Structured Products, Inc.	Residential Funding Company, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust Series 2007-RAMP1	February 16, 2007
Deutsche Alt-A Securities, Inc.	GMAC Mortgage, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust, Series 2007-OA1	February 28, 2007
Deutsche Alt-A Securities, Inc.	GMAC Mortgage, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust Series 2007-RAMP1	February 16, 2007
Deutsche Alt-A Securities, Inc.	Residential Funding Company, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust, Series 2007-OA1	February 28, 2007
Deutsche Alt-A Securities, Inc.	Residential Funding Company, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust Series 2007-RAMP1	February 16, 2007

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for Home Equity Loan Trust 2006- HSA2	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for Home Equity Loan Trust 2007- HSA1	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RAAC Series 2005-RP2 Trust	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RAAC Series 2005-RP3 Trust	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RAAC Series 2006-RP4 Trust	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RAAC Series 2006-SP2 Trust	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RAAC Series 2007-SP1 Trust	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RAMP Series 2004-KR-1 Trust	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RAMP Series 2004-KR2 Trust	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RAMP Series 2006-NC3 Trust	

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RASC Series 2004-KS6	
Deutsche Bank Securities Inc.		Underwriting and/or Indemnification Agreement for RASC Series 2006-KS2 Trust	
Deutsche Bank Securities Inc.		Residential Asset Mortgage Products (RAMP), Series 2004-RP1	
Deutsche Bank Securities Inc.		Underwriting Agreement, RAAC Series 2005-SP1 Trust	
Deutsche Bank Securities Inc.		Underwriting Agreement for RALI Series 2005-QA11	
Deutsche Bank Securities Inc.		Underwriting Agreement for RALI Series 2005-QO1 Trust	
Deutsche Bank Securities Inc.		Underwriting Agreement for RALI Series 2005-QO5 Trust	
Deutsche Bank Securities Inc.		Underwriting Agreement for RALI Series 2005-QS12 Trust	
Deutsche Bank Securities Inc.		Underwriting Agreement for RALI Series 2005-QS3 Trust	
Deutsche Bank Securities Inc.		Underwriting Agreement for RALI Series 2006-QS2 Trust	
Deutsche Bank Securities Inc.	GMAC Mortgage, LLC	Indemnification Agreement for ACE 2007-SL1	
Deutsche Bank Securities Inc.	GMAC Mortgage, LLC	Indemnification Agreement for DBALT 2005-AR2	
Deutsche Bank Securities Inc.	GMAC Mortgage, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust, Series 2007-OA1	February 28, 2007

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
Deutsche Bank Securities Inc.	GMAC Mortgage, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust Series 2007-RAMP1	February 16, 2007
Deutsche Bank Securities Inc.	GMAC Mortgage, LLC (F/k/a GMAC Mortgage Corporation)	Indemnification Agreement, GMACM Home Equity Loan Trust 2006-HE4	September 25, 2006
Deutsche Bank Securities Inc.	GMAC Mortgage, LLC (F/k/a GMAC Mortgage Corporation)	Underwriting Agreement, Residential Asset Mortgage Products, Inc., GMACM Mortgage Pass-Through Certificates 2005-AF1	June 23, 2005
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Pass-Through Certificates, Series 2005-QA13	December 27, 2005
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QA13	September 26, 2005
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Pass-Through Certificates, Series 2006-QA3	April 26, 2006
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS11	August 28, 2006
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS18	December 27, 2006

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS3	March 28, 2006
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS9	July 24, 2006
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QO2	February 26, 2007
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS4	March 28, 2007
Deutsche Bank Securities Inc.	Residential Accredit Loans, Inc.	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS7	May 29, 2007
Deutsche Bank Securities Inc.	Residential Asset Mortgage Products, Inc.	Indemnification Agreement for GMACM Home Equity Loan Trust 2006-HE4	September 25, 2006
Deutsche Bank Securities Inc.	Residential Asset Mortgage Products, Inc.	Underwriting Agreement, Residential Asset Mortgage Products, Inc., Mortgage Loan Backed Certificates, Series 2005-SP1	May 27, 2005

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
Deutsche Bank Securities Inc.	Residential Asset Mortgage Products, Inc.	Underwriting Agreement, Residential Asset Mortgage Products, Inc., GMACM Mortgage Pass-Through Certificates 2005-AF1	June 23, 2005
Deutsche Bank Securities Inc.	Residential Asset Mortgage Products, Inc.	Underwriting Agreement, Residential Asset Mortgage Products, Inc., Mortgage Asset-Backed Pass-Through Certificates Series RS6	October 23, 2006
Deutsche Bank Securities Inc.	Residential Asset Mortgage Products, Inc.	Underwriting Agreement, Residential Asset Mortgage Products, Inc., Mortgage Asset-Backed Pass-Through Certificates Series 2007-RS1	February 28, 2007
Deutsche Bank Securities Inc.	Residential Asset Securities Corporation	Underwriting Agreement, Residential Asset Securities Corporation, Home Equity Mortgage Asset-Backed Pass-Through Certificates, Series 2004-KS1	January 22, 2004
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Indemnification Agreement for ACE 2007-SL1	
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Indemnification Agreement for ACE 2007-SL2	
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Indemnification Agreement for DBALT 2005-AR2	
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust, Series 2007-OA1	February 28, 2007
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Indemnification Agreement, Deutsche Bank Alt-A Securities, Inc., Mortgage Loan Trust Series 2007-RAMP1	February 16, 2007

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Underwriting Agreement, Residential Accredited Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS18	December 27, 2006
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Underwriting Agreement, Residential Accredited Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QO2	February 27, 2007
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Underwriting Agreement, Residential Accredited Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS4	March 28, 2007
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Underwriting Agreement, Residential Accredited Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2007-QS7	May 29, 2007
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Underwriting Agreement, Residential Asset Mortgage Products, Inc., Mortgage Asset-Backed Pass-Through Certificates Series RS6	October 23, 2006
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Underwriting Agreement, Residential Asset Mortgage Products, Inc., Mortgage Asset-Backed Pass-Through Certificates Series 2007-RS1	February 28, 2007
Deutsche Bank Securities Inc.	Residential Funding Company, LLC	Underwriting Agreement, Residential Funding Mortgage Securities II, Inc., Home Loan Backed Notes, Series 2006-HI5	December 18, 2006

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
Deutsche Bank Securities Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Pass-Through Certificates, Series 2005-QA13	December 27, 2005
Deutsche Bank Securities Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2005-QS13	September 26, 2005
Deutsche Bank Securities Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Pass-Through Certificates, Series 2006-QA3	April 26, 2006
Deutsche Bank Securities Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS11	August 28, 2006
Deutsche Bank Securities Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS9	July 24, 2006
Deutsche Bank Securities Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Underwriting Agreement, Residential Accredit Loans, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-QS3	March 28, 2006
Deutsche Bank Securities Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Underwriting Agreement, Residential Asset Mortgage Products, Inc., Mortgage Loan Backed Certificates, Series 2005-SP1	May 27, 2005

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
Deutsche Bank Securities Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Underwriting Agreement, Residential Asset Securities Corporation, Home Equity Mortgage Asset-Backed Pass-Through Certificates, Series 2004-KS1	January 22, 2004
Deutsche Bank Securities Inc.	Residential Funding Mortgage Securities II, Inc.	Underwriting Agreement, Residential Funding Mortgage Securities II, Inc., Home Loan Backed Notes, Series 2006-HI5	December 18, 2006
Deutsche Bank Securities Inc.	Residential Funding Securities, LLC	Indemnification Agreement, Home Loan Trust 2006-HI5, Home Loan-Backed Notes, Series 2006-HI5	December 28, 2006

SCHEDULE B

LOAN PURCHASE AGREEMENTS

SCHEDULE B

LOAN PURCHASE AGREEMENTS

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
DB Structured Products, Inc.	GMAC Mortgage, LLC (F/k/a GMAC Mortgage Corporation)	Master Mortgage Loan Purchase Agreement	March 1, 2006
DB Structured Products, Inc.	Residential Funding Company, LLC	Amended and Restated Standard Terms and Provisions of Sale and Servicing Agreement	Dated August 22, 2005, as amended and restated to and including December 1, 2006
DB Structured Products, Inc.	Residential Funding Company, LLC	Amendment Number One to Amended and Restated Standard Terms and Provisions of Sale and Servicing Agreement	January 25, 2007
DB Structured Products, Inc.	Residential Funding Company, LLC	Nonrecourse Bill of Sale and Assignment	July 25, 2007
DB Structured Products, Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Standard Terms and Provisions of Sale and Servicing Agreement	August 22, 2005
Deutsche Bank Securities Inc.	GMAC Mortgage, LLC (F/k/a GMAC Mortgage Corporation)	Note Purchase Agreement, GMACM Home Equity Loan-Backed Variable Pay Revolving Notes, Series 2006-HE4	September 24, 2006
Deutsche Bank Securities Inc.	Residential Asset Mortgage Products, Inc.	Note Purchase Agreement, GMACM Home Equity Loan-Backed Variable Pay Revolving Notes, Series 2006-HE4	September 24, 2006
Deutsche Bank Securities Inc.	Residential Asset Mortgage Products, Inc.	Purchase Agreement, Mortgage Asset-Backed Pass-Through Certificates, Series 2005-RP3	December 7, 2005

CREDITOR	DEBTOR	AGREEMENT TITLE	DATE
Deutsche Bank Securities Inc.	Residential Funding Company, LLC (F/k/a Residential Funding Corporation)	Purchase Agreement, Mortgage Asset-Backed Pass-Through Certificates, Series 2005-RP3	December 7, 2005

SCHEDULE C

PROCEEDINGS

Proceedings Potentially Implicating the Underwriting Indemnification Rights

1. *New Jersey Carpenters Health Fund, et al. v. Residential Capital, LLC, et al.*, No. 08-cv-8781 (S.D.N.Y.)
2. *Bayerische Landesbank v. Deutsche Bank AG, et al.*, No. 12-ap-01884 (Bankr. S.D.N.Y.)
3. *Cambridge Place Inv. Mgmt. Inc. v. Morgan Stanley & Co., Inc.*, No. 10-2741/2010 (Mass. Super. Ct.)
4. *Dexia SA/NV, et al. v. Deutsche Bank AG, et al.*, No. 11-cv-05672 (S.D.N.Y.)
5. *Federal Deposit Ins. Corp., as Receiver for Citizens National & Strategic Capital v. Bear Stearns Asset Backed Sec. I LLC, et al.*, No. 12-cv-4000 (S.D.N.Y.)
6. *Federal Deposit Ins. Corp. as Receiver for Guaranty Bank v. Ally Sec. LLC, et al.*, No. 12-002522 (Travis Dist. Ct. Tex.)
7. *Fed. Home Loan Bank of Boston v. Ally Fin., Inc. f/k/a GMAC LLC, et al.*, No. 11-cv-10952 (D. Mass.)
8. *John Hancock Life Ins. Co. (U.S.A.), et al. v. Ally Fin. Inc. f/k/a GMAC LLC, et al.*, No. 12-cv-01841 (D. Minn.)
9. *SeaLink Funding Ltd. v. Deutsche Bank AG, et al.*, No. 652174/2012 (N.Y. Sup. Ct.)
10. *Stichting Pensioenfonds ABP v. Ally Fin. Inc., et al.*, No. 27-cv-11-20426 (Minn. State Dist. Ct.)
11. *Teachers Ins. & Annuity Ass'n of Am. v. Deutsche Bank AG, et al.*, No. 11-cv-6141 (S.D.N.Y.)
12. *Union Central Life Ins. Co., et al. v. Ally Fin., Inc., et al.*, No. 11-cv-2890 (S.D.N.Y.)
13. *West Virginia Inv. Mgmt. Bd. v. Residential Accredited Loans, Inc., et al.*, No. 10-C-412 (W. Va. Cir. Ct.)
14. *The Western & Southern Life Ins. Co., et al. v. Residential Funding Co., LLC, et al.*, No. A-1105042 (Ohio Ct. Common Pleas)

Proceedings Potentially Implicating the Loan Purchase Indemnification Rights

1. *Allstate Ins. Co., et al. v. ACE Sec. Corp., et al.*, No. 650431/2011 (N.Y. Sup. Ct.)
2. *Bayerische Landesbank v. Deutsche Bank AG, et al.*, No. 12-ap-01884 (Bankr. S.D.N.Y.)
3. *Dexia SA/NV, et al. v. Deutsche Bank AG, et al.*, No. 11-cv-05672 (S.D.N.Y.)
4. *Phoenix Light SF Ltd., et al. v. ACE Sec. Corp., et al.*, No. 650422/2012 (N.Y. Sup. Ct.)
5. *Fed. Home Loan Bank of Boston v. Ally Fin., Inc. f/k/a GMAC LLC, et al.*, No. 11-cv-10952 (D. Mass.)
6. *Fed. Home Loan Bank of Seattle v. Deutsche Bank Securities Inc., et al.*, No. 09-2-46351-4 SEA (Wash. Super. Ct.)
7. *Fed. Home Loan Bank of San Francisco v. Deutsche Bank Securities Inc., et al.*, No. CGC-10-497839 (Cal. Super. Ct.)
8. *Fed. Home Loan Bank of San Francisco v. Credit Suisse Sec. (USA) LLC, f/k/a Credit Suisse First Boston LLC, et al.*, No. CGC-10-497840 (Cal. Super. Ct.)
9. *Fed. Housing Fin. Agency, et al. v. Deutsche Bank AG, et al.*, No. 11-cv-6192 (S.D.N.Y.)

10. *SeaLink Funding Ltd. v. Deutsche Bank AG, et al.*, No. 652174/2012 (N.Y. Sup. Ct.)
11. *Mass. Mutual Life Ins. Co. v. DB Structured Products, Inc., et al.*, No. 11-cv-30039 (D. Mass.)
12. *Royal Park Investments SA/NV v. Merrill Lynch, Pierce, Fenner & Smith Inc., et al.*, No. 652607/2012 (N.Y. Sup. Ct.)
13. *Stichting Pensioenfond ABP v. ACE Sec. Corp., et al.*, No. 652460/2011 (N.Y. Sup. Ct.)
14. *Teachers Ins. & Annuity Ass'n of Am. v. Deutsche Bank AG, et. al.*, No. 11-cv-6141 (S.D.N.Y.)

B 10 Modified (Official Form 10) (12/11)

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK		PROOF OF CLAIM	
Name of Debtor and Case Number: Residential Asset Mortgage Products, Inc., Case No. 12-12053			
NOTE: This form should not be used to make a claim for an administrative expense (other than a claim asserted under 11 U.S.C. § 503(b)(9)) arising after the commencement of the case. A "request" for payment of an administrative expense (other than a claim asserted under 11 U.S.C. § 503(b)(9)) may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): Deutsche Bank Securities Inc.		<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____ <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars. 5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier - 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(). Amount entitled to priority: \$ _____ <i>* Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>	
Name and address where notices should be sent: See attached Addendum			
Telephone number: See attached Addendum email: See attached Addendum			
Name and address where payment should be sent (if different from above): See attached Addendum			
Telephone number: See attached Addendum email: See attached Addendum		6. Claim Pursuant to 11 U.S.C. § 503(b)(9): Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before May 14, 2012, the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$ _____ (See instruction #6)	
1. Amount of Claim as of Date Case Filed: See attached Addendum If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
2. Basis for Claim: See attached Addendum (See instruction #2)			
3. Last four digits of any number by which creditor identifies debtor: _____	3a. Debtor may have scheduled account as: _____ (See instruction #3a)		3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable (when case was filed) Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____			
7. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #7)			
8. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #8, and the definition of "redacted".) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:			
9. Signature: (See instruction #9) Check the appropriate box. <input checked="" type="checkbox"/> I am the creditor. <input type="checkbox"/> I am the creditor's authorized agent. <input type="checkbox"/> I am the trustee, or the debtor, or their authorized agent. <input type="checkbox"/> I am a guarantor, surety, indorser, or other codebtor. (Attach copy of power of attorney, if any.) (See Bankruptcy Rule 3004.) (See Bankruptcy Rule 3005.) I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief. Print Name: _____ Title: _____ Company: Deutsche Bank Securities Inc. Address and telephone number (if different from notice address above): See attached Addendum See attached Addendum Telephone number: _____ Email: _____			
Signature: <i>Jay Strauss</i> 10/24/2012 (Signature) (Date) Signature: <i>Patrick McEnerney</i> (Signature)			

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

COURT USE ONLY

B 10 Modified (Official Form 10) (12/11)

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK			PROOF OF CLAIM
Name of Debtor and Case Number Residential Funding Company, LLC, Case No. 12-12019			
NOTE: This form should not be used to make a claim for an administrative expense (other than a claim asserted under 11 U.S.C. § 503(b)(9)) arising after the commencement of the case. A "request" for payment of an administrative expense (other than a claim asserted under 11 U.S.C. § 503(b)(9)) may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): Deutsche Bank Securities Inc.		<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	
Name and address where notices should be sent: See attached Addendum		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.	
Telephone number: See attached Addendum email: See attached Addendum		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier - 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(). Amount entitled to priority: \$ _____	
Name and address where payment should be sent (if different from above): See attached Addendum		6. Claim Pursuant to 11 U.S.C. § 503(b)(9): Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before May 14, 2012, the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$ _____ (See instruction #6)	
Telephone number: See attached Addendum email: See attached Addendum		7. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #7)	
1. Amount of Claim as of Date Case Filed: \$ See attached Addendum If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		8. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #8, and the definition of "redacted".) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:	
2. Basis for Claim: See attached Addendum (See instruction #2)		9. Signature: (See instruction #9) Check the appropriate box <input checked="" type="checkbox"/> I am the creditor. <input type="checkbox"/> I am the creditor's authorized agent. (Attach copy of power of attorney, if any.) <input type="checkbox"/> I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) <input type="checkbox"/> I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.) I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief. Print Name: _____ Title: _____ Company: Deutsche Bank Securities Inc. Address and telephone number (if different from notice address above): See attached Addendum See attached Addendum Telephone number: _____ Email: _____	
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a)		3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)	
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable (when case was filed) Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		Amount entitled to priority: \$ _____ * Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.	

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

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 S.D.N.Y.
 BANKRUPTCY COURT
 COURT USE ONLY

B 10 Modified (Official Form 10) (12/11)

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK			PROOF OF CLAIM
Name of Debtor and Case Number: Residential Funding Company, LLC, Case No. 12-12019			
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Name of Creditor (the person or other entity to whom the debtor owes money or property): DB Structured Products, Inc.		<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	
Name and address where notices should be sent: See attached Addendum		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.	
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Signature: <u>Key Stranges, Managing Director</u> 10/24/2012 (Signature) (Date) Signature: <u>Patrick McEnaney</u> (Signature)			

* Amounts are subject to adjustment on 4/1/13 and every 2 1/2 years thereafter with respect to cases commenced on or after the date of adjustment.

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COURT USE ONLY

EXHIBIT E

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
-----x

3 BAYERISCHE LANDESBANK, NEW
4 YORK BRANCH,

5 Plaintiff,

6 v.

12 Civ. 2804 (LAK)

7 BEAR STEARNS & CO., Inc., et
8 al.,

9 Defendants.
-----x

10 BAYERISCHE LANDESBANK, NEW
11 YORK BRANCH,

12 Plaintiff,

13 v.

12 Civ. 3856 (LAK)

14 MERRILL LYNCH & CO, et al.,

15 Defendants.
-----x

16
17 July 16, 2012
3:35 p.m.

18 Before:
19
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21
22
23
24
25

HON. LEWIS A. KAPLAN,

District Judge

APPEARANCES

BERNSTEIN, LITOWITZ, BERGER & GROSSMAN, LLP
Attorneys for Plaintiff

BY: TIMOTHY A. DeLANGE
JEROEN VAN KWAWEGEN

CRAVATH, SWAINE & MOORE, LLP
Attorneys for Defendant Bear Stearns

BY: DANIEL SLIFKIN
YELENA KONANOVA

CLEARY, GOTTlieb, STEEN & HAMILTON, LLP
Attorneys for Defendant Merrill Lynch & Co.

BY: MEREDITH E. KOTLER
JARED GERBER

(Case called)

THE DEPUTY CLERK: Plaintiff's counsel for Landesbank, are you ready?

MR. DeLANGE: We are prepared, yes.

THE DEPUTY CLERK: And you are?

MR. DeLANGE: Timothy DeLange, Bernstein, Litowitz, Berger & Grossman on behalf of plaintiff, Bayerische Landesbank.

MR. KWAWEGEN: Good afternoon. Jeroen Kwawegen also on behalf of plaintiff.

THE DEPUTY CLERK: Thank you.

Counsel, for Bear Stearns, are you ready?

MR. SLIFKIN: Yes, your Honor. Daniel Slifkin, Cravath, Swaine & Moore. With me is my colleague, Yelena Konanova, with Cravath.

THE COURT: The name?

MR. SLIFKIN: Yelena K-O-N-A-N-O-V-A.

MS. KOTLER: Good afternoon, your Honor. Meredith Kotler from Cleary, Gottlieb, Steen & Hamilton and with me is Jared Gerber.

THE COURT: Good afternoon.

Let me give you an indication of what I think. I have read these papers. It may be somebody will want to respond rather than starting the other way around.

My inclination is that the Edge Act does not apply,

1 that there is no diversity removal jurisdiction in the other
2 case, the Merrill Lynch case, that there conceivably probably
3 it is related to bankruptcy jurisdiction and that I should
4 abstain in both cases and remand.

5 With that, who wants to address it?

6 MS. KOTLER: Your Honor, I'm happy to start on the
7 diversity issue which is only in the Merrill Lynch case. Thank
8 you.

9 The plaintiff here admits that there is diversity
10 jurisdiction, that this case could have been brought in federal
11 court because they are a foreign defendant, we are New York --
12 excuse me, they are foreign.

13 THE COURT: We know that.

14 MS. KOTLER: And we are New York defendants. Their
15 argument, instead, is that the forum defendant rule in 28,
16 U.S.C., 1441(b) bars removal. If I may, your Honor, I think it
17 is helpful for you to have the language of the proper statute
18 in front of you. If you don't, I have a copy and I'm happy to
19 hand it up.

20 THE COURT: I have it.

21 MS. KOTLER: And I just want to confirm, your Honor,
22 that you have the version from 2012, not the version that went
23 in, or was in effect prior to January 7, 2012.

24 THE COURT: Most of my books don't get supplemented
25 because the government won't pay for it anymore but this one I

1 have.

2 MS. KOTLER: Okay. So, the rule now provides a civil
3 action otherwise removable solely on the basis of jurisdiction
4 under Section 1332(a) of this title may not be removed if any
5 of the parties in interest properly joined and served as
6 defendant is a citizen of the state in which such action is
7 brought.

8 Is that the version your Honor has before you?

9 THE COURT: I am quite confident that it is.

10 MS. KOTLER: That language was put in place in January
11 but the predecessor version also had the same properly joined
12 and served requirement, although it also had an affirmative
13 phrasing as well as the words "none of the parties properly
14 joined and served."

15 A large number of Courts, your Honor, had interpreted
16 the forum defendant rule. The overwhelming majority, we cited
17 more than two dozen for your Honor although of course we were
18 not looking to be exhaustive, but the overwhelming majority
19 said this language is plain and clear and what Congress said
20 was that you can remove unless the forum defendant has been
21 "properly joined and served."

22 THE COURT: I thought a lot of things were clear on
23 the record of Wickard v. Filburn until a couple of weeks ago
24 too.

25 MS. KOTLER: Indeed, it included Courts in the Second

1 Circuit and the Second Circuit and a number of them, in the
2 very same situation we have here where removal was effected
3 even though no defendant had been served. In fact, your
4 Honor --

5 THE COURT: And almost all by an out-of-state
6 defendant.

7 MS. KOTLER: Your Honor, we cited you 18 cases where
8 removal was effected, seven of them was where the removal was
9 effected by a forum defendant and 11 by where the nonforum
10 defendant removed. The seven where the forum defendant removed
11 include the Terry case, Bivens, Ripley --

12 THE COURT: Ms. Kotler, look. I can read string cites
13 as well as the next guy.

14 MS. KOTLER: We hadn't broken it out this way, your
15 Honor, in our briefing so you I thought you might want this,
16 but seven of the cases, in any event, including Fosamax here in
17 the Southern District, include forum removal by defendant
18 before any forum defendant was removed.

19 Now, a small handful of Courts had said no forum
20 defendant can ever removed whether or not they've been served,
21 that included the Fields, Sullivan and Vivas cases, what the
22 plaintiff cited. What they said was we're reading this
23 contrary to the plain language but we think Congress' intent
24 was that no forum defendant should ever be able to remove so
25 we're going to go contrary to the plain language to effect an

1 intent that we think Congress had.

2 Respectfully, that's not actually the argument
3 plaintiff is making here. They're making a different one but
4 to the extent they're making that argument we would say that
5 the majority of Courts, the overwhelming majority of Courts got
6 it right. We need to follow the plain language and in fact
7 when Congress amended the removal statute in 2012 it amended it
8 in a number of ways to speak to differences in authority on a
9 number of issues, how to calculate the amount in controversy,
10 when the removal deadline started, when you had a
11 multi-defendant case, what you do when you've got unrelated
12 state law and federal law claims but it didn't change the
13 "properly joined and served requirement." If Congress thought
14 that its intent wasn't being followed it would have amended
15 this part 2 and it would have cut off the words "and served"
16 but it didn't. It meant what it says.

17 Two cases, your Honor, the Hawkins case in Georgia and
18 the Halstrom case in Illinois did something even more bizarre
19 and that is what the plaintiff is arguing here. Those Courts
20 admit that the presence of an unserved forum defendant doesn't
21 prevent removal. They say you can have an unserved forum
22 defendant and that alone doesn't prevent removal, and they
23 admit that a forum defendant can remove at times. What they
24 say is that a forum defendant can only remove if, (A), there is
25 also a non-forum defendant; and (B), at least one of those

non-forum defendants has been served.

The problem with this is six fold. Number one, there is absolutely nothing in the forum defendant rule -- and your Honor has the language before you -- that says that there has to be a non-forum defendant or that it must have been served before removal. In fact, 1446(b) expressly envisions that a defendant can remove before service.

THE COURT: Ms. Kotler, I understand the logic chopping here but the whole argument doesn't make the slightest bit of sense to me -- and that is not a personal comment, of course.

The whole point of allowing removal in diversity cases was to protect out-of-staters against presumed in-state prejudice and here you've got Merrill Lynch, a New York defendant, removing. Clearly if it had been served it couldn't possibly. And I just don't see how anybody in his right mind could have intended otherwise here. We get some really weird stuff in terms of legislative drafting out of all legislatures, that's not -- it is inherent in the legislative process. Nobody can foresee every crazy twist and turn. I just don't see it.

MS. KOTLER: Well, I certainly understand that, your Honor. If I could just respond in three ways? One, a number of courts recognize that but they also said the statute is plain and clear, it is not for us to determine what Congress

1 said, and in fact Congress just amended the statute in January.
2 If it were concerned about its intent, if it were concerned
3 about the situation, it would have changed it and it would have
4 been a very easy fix to take out the words "and served."

5 I will also add, you will see this in a couple of
6 cases, discussion, if there is something unusual going on here
7 maybe -- maybe -- you might be overridden by that concern but
8 this wasn't a race to remove, your Honor. This wasn't a
9 situation where we were checking the dockets and the day it
10 showed up we ran to the court house. This wasn't a situation
11 where plaintiff called us and said will you accept service and
12 we said hold the line and filed removal notice.

13 THE COURT: Would it matter? Do you think that
14 diversity removal jurisdiction contest would involve trials
15 about whether or not the removing party -- if an in-forum
16 defendant was checking the docket or not? Is that any way that
17 we should conceivably go?

18 MS. KOTLER: No, your Honor. But I don't think that
19 this interest that your Honor has identified is that prominent
20 for Congress. I don't think it was that worried. I think it
21 equally could have been concerned that it wasn't the forum
22 defendants served expeditiously because the reading that the
23 plaintiff is putting on this, right, that you have got to have
24 a non-forum defendant and that a non-forum defendant had to
25 have been served first, you would have game playing there too.

1 You could have a plaintiff leaving off a necessary non-forum
2 defendant or you could have a plaintiff being very slow to
3 serve the non-forum defendant and serving the forum defendant
4 immediately.

5 So, I think that there is a lot of possible ways to
6 read Congress' intent but the Supreme Court and the Second
7 Circuit, we all know that it is axiomatic when the language is
8 plain and clear you have to apply it and in fact the language,
9 the analysis, the statutory analysis and reading that the
10 plaintiff is citing, it is from the Hawkins case, it is based
11 on the prior version of the statute. The statute used to be
12 phrased differently and if you want, your Honor, I have a copy
13 of it, I would be happy to hand it up to your Honor.

14 THE COURT: No.

15 MS. KOTLER: No. Okay.

16 The statute used to be phrased as an affirmative and
17 it had the words "none of." It read: Any other such action
18 shall be removable only if none of the parties in interest
19 properly joined and served is a citizen of the state in which
20 such action is brought. And what the Hawkins Court did, no
21 other Court did this but what it said was because it is phrased
22 as an affirmative there, the statute actually says you can
23 remove a diversity case and then it says none of the parties
24 properly served. That "none of" makes no sense unless at least
25 one party has been served. And, of course, it would have to be

1 a non-forum defendant because if that one party who had been
2 served had been a forum defendant you wouldn't have removal.

3 Those were his two ground rules; that there were an
4 affirmative authorization of the statute and that it read none
5 of the parties in interest. That's actually the statute, your
6 Honor, that they cited you in the moving papers and we pointed
7 out in our opposition that's not the way the statute is written
8 anymore. Now, the statute is a very simple negative. It is a
9 very simple exception. A civil action, otherwise removable
10 solely on the basis of diversity jurisdiction under Section
11 1332(a) of this title, may be not removed if any of the parties
12 in interest are properly served and adjoined. Congress took
13 away the two anchors of the Hawkins Court reading so if
14 Congress actually had any intent or was watching this at all,
15 it said we don't like what the Hawkins Court did and it changed
16 the wording of the forum removal.

17 THE COURT: There is no committee report. There is
18 nothing that suggests anything of the sort, right?

19 MS. KOTLER: One way or the other, your Honor, that
20 either it was worried about forum defendants removing or that
21 it disliked the Hawkins reading. That is correct, your Honor.

22 THE COURT: So, possibly we are left with recourse to
23 common sense.

24 MS. KOTLER: Yes; except what Congress did do, it made
25 a number of large amendments because of large splits.

1 THE COURT: Okay. I think we better try to bring it
2 to conclusion.

3 MS. KOTLER: Jurisdiction.

4 THE COURT: Yes.

5 MS. KOTLER: And I know that Mr. Slifkin will have a
6 number of arguments as well for his clients here.

7 The main argument that the plaintiff has here is there
8 is no bankruptcy-related jurisdiction because we didn't file
9 proofs of claim in these bankruptcies. The rule is very clear,
10 you are related to a bankruptcy if there is --

11 THE COURT: And I told you that I'm inclined to agree
12 with you on this.

13 MS. KOTLER: Including for the carve out, your Honor?
14 Because they have an argument about carved-out for
15 indemnification that they raised for the first time in their
16 reply which we believe completely misreads the document. And
17 I'm happy to walk you through why there was no carve-out from
18 the indemnification.

19 THE COURT: I don't hear arguments first made in
20 replies.

21 MS. KOTLER: Okay. So, assuming that there is
22 bankruptcy-related jurisdiction, we do believe that your Honor
23 should keep these cases, putting aside the bankruptcy removal.
24 This is not a case where there is mandatory abstention, that's
25 not on the table here, they're only claiming discretionary.

1 As your Honor noted in the Lehman case, the main
2 question for discretionary remand is is there a particularly
3 unusual question of state law. We don't believe there is any
4 unusual question of state law let alone a particularly unusual
5 question of state law. These are all claims that are
6 essentially securities fraud claims. They are identical to
7 claims under the 33 Act or the 34 Act. Indeed, those claims
8 could have been brought in this case. As your Honor knows,
9 there are many mortgage-backed securities cases in this court
10 house most of which include a 33 or 34 Act claim. Of course,
11 if they had been asserted in this case the plaintiff either
12 would have had to file in federal court under the Exchange Act
13 or there would have been yet a further nexus to federal court.

14 So, there is no unusual let alone particularly unusual
15 question of state law. There are also a number of efficiencies
16 here in addition to the two MBS cases that Bayerische has
17 brought. Your Honor has a number of others, you have the
18 Stichting v. Merrill Lynch case which is fully submitted for
19 your Honor on motion to dismiss; you have the IKB v. Merrill
20 Lynch case which was removed on diversity grounds before any
21 defendant was served and there was no challenge to that removal
22 and the time period for challenge has passed. You have the
23 Dexia v. Merrill Lynch case which is also before your Honor
24 although I believe there is a remand motion or there will be a
25 remand motion pending in that one.

1 And so, given the efficiencies, the fact that there is
2 no particularly unusual question of law, this is exactly one of
3 those cases where this Court should exercise its virtually
4 unflagging obligation to exercise the jurisdiction that it has
5 including jurisdiction under the diversity statute which is not
6 contested.

7 THE COURT: The unflagging jurisdiction language comes
8 out of the Colorado River case, right?

9 MS. KOTLER: Originally, although it has been picked
10 up in a number of these other cases.

11 THE COURT: I understand. There was no statute there
12 that gave the District Court discretion to remand diversity
13 cases generally, right?

14 MS. KOTLER: In that case. In that original case,
15 yes.

16 THE COURT: And there is here?

17 MS. KOTLER: Yes, there is.

18 THE COURT: So, the unflagging jurisdiction -- the
19 unflagging obligation argument is just not of the same potency
20 in this case as it would be in the garden variety diversity
21 case, true?

22 MS. KOTLER: I think we read in that case and several
23 judges have read into that case the notion that when it does
24 have jurisdiction over a matter it should exercise it. And,
25 again, what is unusual about this case is your Honor would have

1 had diversity jurisdiction and they admit that, your Honor
2 would have had if had they filed here in the first instance.
3 So, your Honor does have diversity jurisdiction as well as
4 bankruptcy-related jurisdiction.

5 THE COURT: Okay.

6 MS. KOTLER: Thank you.

7 THE COURT: Thank you.

8 MR. SLIFKIN: You left me the Edge Act and nothing
9 else, but if I may I will say a few words about the abstention
10 doctrine because, as your Honor is aware, although it is within
11 the Court's discretion, the statute is plain in focusing in on
12 the interests of comity or respect for state law. And while we
13 acknowledge the fact that obviously these are just state law
14 claims, if one looks at the factors that are appropriately
15 balanced in exercising your Honor's decision to abstain or not
16 to abstain, other than the fact that these are all state law
17 claims as plaintiffs elected to plead, we think all of the
18 other factors in fact go against abstention, which is to say,
19 and I will to some extent repeat what Ms. Kotler said, that is
20 to say these are not hard or complex questions of state law to
21 which it will be important to keep it in the state law system.
22 These are well established orders of action for fraud,
23 negligence, misrepresentation where the elements are clear.

24 THE COURT: That was surely my view in Parmalat where
25 I declined to abstain and the Second Circuit thinks that

1 everything under Illinois law -- I'm of course overstating and
2 guilty of hyperbole and I mean no disrespect -- but everything
3 in Illinois law is a certain question of state law, right?

4 MR. SLIFKIN: But we're in New York at least, your
5 Honor.

6 THE COURT: Which way does that cut?

7 MR. SLIFKIN: I think it is really pretty clear.

8 THE COURT: That's what I thought in Parmalat as to
9 Illinois and it is what the Seventh Circuit thinks too.

10 MR. SLIFKIN: And we respect both you and the Seventh
11 Circuit, we think you're right, your Honor, you should apply
12 the same reasoning here.

13 THE COURT: But my serious point, Mr. Slifkin, is that
14 there is a tide running on what we used to lovingly call the
15 17th floor and the tide is running on abstention in bankruptcy
16 cases in the direction of deferring to state courts. Don't you
17 think?

18 MR. SLIFKIN: I would not disagree with that, your
19 Honor, but that is not to say that the doctrine has been
20 replaced. It is not the case --

21 THE COURT: No.

22 MR. SLIFKIN: That if plaintiffs simply artfully
23 plead -- talking about artful, they just plead state law claims
24 and don't plead the federal law claims, that means even if
25 there is a relation to a Bankruptcy Court they automatically

1 get right out of the statute. The abstention doctrine is
2 exception, it should not swallow the rule.

3 THE COURT: But here the relationship to bankruptcy is
4 about as attenuated as it could be, just about. I mean, as to
5 all the bankruptcies except Ramp everything is beyond the bar
6 date, right?

7 MR. SLIFKIN: That is correct.

8 THE COURT: So.

9 MR. SLIFKIN: Let me just mention People's Choice
10 because in People's Choice their claims -- certainly my client
11 has claims which have not been liquidated or set aside by the
12 Bankruptcy Court which has retained jurisdiction. So, I think
13 in looking at the bar date arguments one should exclude
14 People's Choice. And that's certainly the case for Ramp and
15 Ramp, as your Honor is aware, is a \$700 million issuance of
16 securities. I know these cases involve a lot of money but \$700
17 million is still a lot of money in my book and so that is not
18 an insignificant piece of the potential liability here.

19 Beyond that, I just want to say one word on the state
20 law which is plaintiffs repeatedly say in their papers that
21 they are a New York-based entity and, frankly, your Honor that
22 is just not correct. Bayerische Landesbank -- my German is not
23 very good but I think it means Bavarian State Banks. And that
24 is not based in New York, it is based in Munich, Germany.

25 I think the law is very clear that the fact that there

1 was a branch here does not set legal entities although it has
2 to be authorized to do business in New York by the Office the
3 controller, it is a subsidiary and controlled by the Bavarian
4 state entity.

5 THE COURT: It is not a separate entity, right?

6 MR. SLIFKIN: That's correct.

7 THE COURT: So it's not a subsidiary.

8 MR. SLIFKIN: That is true, it is merely a branch. It
9 is just an agent of the patient.

10 With that, if I could just turn to the Edge Act, in
11 coming into this full cognizance of what Judge Sullivan said in
12 the AIG cases but let's step back from this for a moment.

13 JP Morgan chase is a plainly federally chartered
14 national association, a corporation organized under the laws of
15 the United States and it is a party and it is being sued for
16 all of the conduct of all of the other parties, either its
17 parent or successor in interest. That's point number one.

18 THE COURT: But in fact it is not alleged to have
19 engaged in the international transactions in question, right?

20 MR. SLIFKIN: That is true.

21 THE COURT: Okay.

22 MR. SLIFKIN: That is absolutely true. But, it is
23 being sued for all of those transactions. And the transactions
24 in question are international transactions. I mean, it is
25 simply a fact that European banks such as, I will call it BLB

1 so as not to butcher the German any further, BLB had a great
2 appetite for these types of securities and, as Ms. Kotler
3 mentioned, we have the Stichting case in front of your Honor; I
4 was in court on Friday in front of Judge Rakoff with the very
5 same plaintiff's counsel today in a Dexia case. European banks
6 bought a lot of residential mortgage-backed securities. It was
7 a standard program in the '06-'07 time frame before the Lehman
8 collapse and the shutdown of the market. It really was the way
9 the mortgages got done in the United States. When these
10 mortgages were issued everybody knew they were going to be
11 bundled up and sold as mortgage-backed securities, an absolute
12 securitization process, I dare say, there wouldn't have been so
13 much mortgage activity. It is perfectly plain the way the
14 banking business was done and it is perfectly plain these
15 European plaintiffs were an integral part of that system.
16 There was an appetite for these securities from these large,
17 sophisticated European banks. That appetite --

18 THE COURT: Resulted in a great deal of indigestion.

19 MR. SLIFKIN: Well, but caveat emptor, particularly
20 when you're a sophisticated entity.

21 So, we absolutely take the point that JP Morgan Chase
22 is not, in and of itself, alleged to have been involved in
23 these transactions, but it is being sued on behalf of its
24 subsidiaries successor acquired companies for these actions and
25 these actions, in our view, do involve international banking

1 and if not international banking, certain foreign financial
2 operations. It is the raising of capital, at a minimum, by
3 U.S. entities going to and seeking the funds of foreign banks.
4 Accordingly, we think it is on all fours with something like
5 *Stamm v. Barclays*. As we said before, it is just plainly,
6 plainly a foreign entity doing business with European banks in
7 the context of a banking -- U.S. bank from the context of a
8 banking operation.

9 Thank you, your Honor.

10 THE COURT: Thank you.

11 Frankly, I don't think I need to hear from the other
12 side. I disagree with the Edge Act argument, I agree with
13 Judge Sullivan in *Allstate*. It is conceded that JP Morgan
14 Chase Bank N.A. was not a party to any of the international
15 banking transactions. It played no role in them. Judge Koeltl
16 has reached a result similar to Judge Sullivan in the *Societe*
17 *Generale* case. I agree with them. So, I find no Edge Act
18 jurisdiction. I do think there is bankruptcy jurisdiction.
19 And although I'm almost overwhelmed by the wonderful job done
20 on behalf of Merrill Lynch with respect to attempting to
21 establish that a nonserved in-state defendant can remove up
22 until the point where they are served, I just don't buy the
23 argument. It is flatly inconsistent with the purposes of the
24 diversity jurisdiction, it is inconsistent in my opinion with
25 the underlying policy of Congress in prohibiting removal by

1 in-state defendants and it is, in my view, notwithstanding my
2 respect for all the Courts that have reached other views with
3 whatever level of analysis was employed, I just don't agree
4 with them. I think it is a straightforward question
5 notwithstanding the superb logical statutory language based
6 argument.

7 I do think related to jurisdiction that is related to
8 bankruptcy jurisdiction. That jurisdictional basis is
9 extremely broad, broad enough to take in all outdoors. I mean,
10 sooner or later everything affects a bankruptcy, absolutely
11 everything.

12 The escape hatch, as it were, is the abstention
13 statute, and I think abstention is appropriate in this case.
14 The relevant factors were set out, among other places in
15 Guccione v. Bell. The state law issues here totally
16 predominate. While I think nobody has pointed with clarity to
17 any particular state law issue that might be regarded as
18 exceptionally difficult or unsettled, the fact of the matter is
19 that even recently, years after cases have been removed,
20 suddenly issues that everyone concerned thought were not
21 difficult or unsettled in the views of some courts have become
22 difficult and unsettled. I think the degree of relatedness to
23 the bankruptcy cases is slim and there is just no good logical
24 reason for these two cases to be in federal court. So, I
25 abstain, as a matter of discretion, and I will remand both to

1 the state courts.

2 Now, the question is whether I need to write or say
3 anything more elaborate than what I have said. Am I right in
4 thinking that this is a nonappealable order and nobody is going
5 to be able to go to the Court of Appeals on it, in which case I
6 can leave it as it is? Or if there is going to be appellate
7 exercise, I can write on it.

8 MR. SLIFKIN: It is not appealable I think, your
9 Honor.

10 MS. KOTLER: We agree.

11 THE COURT: That being the case, I will leave it where
12 it is. I will enter a short form order this afternoon.

13 I really do appreciate a very fine job on all sides by
14 counsel. It has been a big help but, as I guess somebody once
15 said, somebody has to win and somebody has got to lose.

16 Thanks, folk. I appreciate it.

17 o0o

EXHIBIT F

Key regulatory data for Sachsen LB

	Bank	
	2007	2006
	€ bn	€ bn
Total assets	62.1	62.3
Receivable from banks	20.2	20.1
Receivable from customers	17.2	14.8
Securities portfolio	23.8	26.4
Liabilities to banks	31.9	26.7
Liabilities to customers	6.2	6.5
Securitized liabilities	20.2	25.1
	€ m	€ m
Net interest income	243.5	227.4
Net commission income	-7.7	2
Net result from financial transactions	-40.1	9.3
Other operating income/loss	-0.6	0.4
Administrative expenses	100.8	85
Cost/income ratio	51.7 %	35.5 %
Return on equity	n/a	9.7 %
Operating income before risk provisioning/valuation	94.3	154.1
Risk provisioning/valuation result	-735.9	-73.7
Profit from ordinary business activities	-641.6	80.4
Extraordinary income/loss	641.4	-21.6
Taxes	0.2	-5.8
Surplus of the year	0.0	53.0
Average number of employees for the year	359	354

Long-term/short-term rating (as of December 31, 2007)

Standard & Poor's

BBB+/A-2

Fitch Ratings

A+/F1+

Moody's Investors Service

Aa2/Prime-1

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Dear Ladies and Gentlemen,

The 2007 fiscal year brought far-reaching changes for Sachsen LB. After a strong first half in which the bank was able to outperform its business volume and earnings targets in some cases, the lingering financial market turmoil led to significantly increased liquidity requirements that could only be met sustainably by integrating Sachsen LB into Landesbank Baden-Württemberg (LBBW) and obtaining support from Sparkassen-Finanzgruppe.

Sachsen LB's profitability was also impacted heavily by the crisis on the financial markets. The negative result from operations was primarily due to the high level of expenses for risk provisioning and the loss from financial investments. During the period under review, the business with corporate customers made a positive contribution to the bank's results, but could not compensate for the severe strain on the capital market business.

After the acquisition by Landesbank Baden-Württemberg (LBBW), a stronger Sachsen LB can now look forward to a new future as a regional bank with roots in central Germany able to offer customers the full range of products and services of an international financial group. While making this fresh start, the bank will retain its Saxon identity, a fact underscored by our new name, Sachsen Bank.

In the future, we will pursue a sustainable business model with clear responsibilities within the LBBW Group. Since April, we have been serving the LBBW Group's corporate and high net-worth private clients in Saxony and adjacent regions. The successful corporate and private banking activities in Germany's new states conducted by BW Bank, which is part of the LBBW Group, will also be brought under the umbrella of Sachsen Bank. In addition, Sachsen Bank will be the Group's center of excellence for activities in neighboring Eastern European regions.

Business areas without a regional connection, such as capital market, real estate or special financing activities, will be the responsibility of LBBW, which will open a branch in Leipzig. In addition, Landesbank Baden-Württemberg will serve as a central bank to the savings banks in Saxony.

This division of responsibilities reinforces Sachsen Bank's role as a customer-focused bank. The presence of a local Board of Management ensures not only rapid decision-making at a high level of responsibility, but also represents a clear commitment to Saxony and Central Germany as a business location. We aim to continue to be a reliable, effective, and expert partner to the region's business community in the future.

We would like to thank our business partners, customers, and investors for their support on behalf of the Board of Management and all of our employees, and look forward to a continued successful partnership based on a foundation of trust.

Sincerely,



Harald R. Pfab



Wolf-Dieter Ihle

Report by the Supervisory Board for the Period from October 26, 2007 to December 31, 2007

The legal form of Landesbank Sachsen Girozentrale was changed to an Aktiengesellschaft (German public limited company) on October 26, 2007, after which the Supervisory Board began its activities. The period under review was marked by material changes and extraordinary events caused by the subprime crisis. This also affected the work of the Supervisory Board.

Key discussion points

In the period from October 26, 2007 to December 31, 2007, the Supervisory Board carried out the duties incumbent upon it pursuant to the law, the articles of association, and the by-laws. We regularly advised the Board of Management on the management of the company and monitored its activities. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The Board of Management regularly presented detailed and timely reports, both verbally and in writing, concerning business performance and the current situation of the group. To the extent that this was deemed relevant and useful during the period under review, deviations in business performance from planned figures were discussed and the company's strategic direction decided. We extensively discussed the company's important business transactions based on the reports by the Board of Management. After thorough review and consultation, the Supervisory Board approved the resolutions suggested by the Board of Management. In the short period during which the Supervisory Board was active in 2007, three meetings were held in November and December during which reports were presented to us on Sachsen LB's business and financial performance, risk management, and significant business transactions. During this difficult time, the Board of Management transitioned from quarterly reporting in accordance with § 90 AktG (German Stock Corporation Act) to monthly reporting of the company's results of operations, and asset and risk situation. All issues of fundamental importance were discussed in depth.

Both State Minister Tillich (as Chairman until February 27, 2008) and I were in regular contact with the Board of Management between Supervisory Board meetings and were informed about the current business performance and material business transactions of the bank. The respective Chairman of the Supervisory Board met with the Board of Management in separate strategy meetings to discuss the prospects and future direction of each of Sachsen LB's businesses.

The Supervisory Board initially had 6 members and subsequently 3 members; the Supervisory Board was therefore able to work efficiently without forming committees.

Audit of the annual financial statements for 2007

The Sachsen LB annual financial statements for the 2007 fiscal year prepared by the Board of Management, the management report, and the dependent company report were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft and received an unqualified audit opinion. The aforementioned documents were distributed by the auditors to the Supervisory Board in a timely manner. The Supervisory Board discussed the audit reports on the results of the audits in detail with the auditors. In its meeting on March 25, 2008, the Supervisory Board completed its review of Sachsen LB's annual financial statements for the 2007 fiscal year, the management report and the dependent company report in the presence of the auditor and, based on its own review, agreed with the results of the audit by the auditors of the financial statements. After completing its review, the Supervisory Board did not raise any objections and approved the annual financial statements for 2007, the management report, and the dependent company report, which were thereby adopted.

Personnel

The Supervisory Board would like to thank its former members State Minister Tillich, State Minister Jurk, District Administrator Uhlig, Ministry Director Reidner, Savings Bank Director Dr. Landenfeld, Mayor Jung and Ms. Boragk for their dedication to their work on this Board.

The Supervisory Board also gratefully acknowledges the hard work and immense personal contributions of the Board of Management and all employees during the past fiscal year.

Leipzig, March 2008

Michael Horn

Chairman of the Supervisory Board

Business Trends and Environment

> Overall Economic Environment

The US real estate crisis and the resulting sustained disruptions of international financial markets consistently shaped the economic environment, and particularly the business opportunities of banks on the capital market, from the middle of fiscal year 2007 onward. Against this backdrop, the expectations of economists, which had still been high for the global economy at the beginning of the year, had to be progressively rolled back over the course of the year and growth forecasts revised downward.

Nonetheless, the effects of the financial market turbulence on the real economy remained modest in 2007 on the whole due to the good general condition of the global economy and particularly the stability of emerging economies, especially China, India and Russia. Despite the decline in economic growth in the United States from 2.9% (in 2006) to 2.2%, the International Monetary Fund (IMF) believes that the increase in global GDP will be 4.9% for the fiscal year as a whole. In the coming fiscal year, the effects of the US real estate crisis will have a more pronounced effect.

In the Eurozone, the economy was very robust overall despite the downward pressure exerted by the strong euro, interest rate increases, and sharply rising crude oil prices. GDP growth is expected to be around 2.6% for the year as a whole.

The German economy in particular reported real economic growth of 2.5% thanks to a favorable price and consumer confidence situation. The economic upswing in Germany is broad-based. Stable domestic demand in Germany due to a seasonally adjusted decline in unemployment figures from 4.8 million in early 2006 to 3.5 million in December 2007 and the optimistic mood among German businesses, which was given a boost by investments, provided sustainable support to economic growth in Germany. In addition, impetus for growth in the economy as a whole came primarily from foreign trade.

As in previous years, the prior fiscal year's projected GDP growth of 3.3% in Saxony again exceeded the average for Germany's eastern states, as well as outperforming the national average for Germany. The excellent performance of the manufacturing sector is a key reason for the ongoing fast pace of growth in the Free State of Saxony. Due to this growth, the labor market situation in Saxony eased considerably, which is in turn boosting overall consumer confidence.

During the period under review, the continuing mortgage crisis in the United States adversely affected not only the US, but also the financial systems in the UK, Switzerland, Ireland, and Germany. The loss of market confidence caused by the crisis had an ongoing impact principally on the funding situation of banks active in the securitization business. On the whole, the financial markets presented a very diverse picture. Whereas stock markets performed well overall despite a nearly steady level of volatility and a downturn in the second six months, the interest rate and credit markets saw a significant jump in volatility and an extreme widening of credit spreads.

The performance of international bond markets was twofold in 2007. Strong economic data and rising key rates led to increases in capital market yields in many economies up to mid-year. A sharp decrease in yields set in during the second six months, which was particularly pronounced in the United States at around 160 basis points, but much more modest in the Eurozone. The yields of 10-year German federal government bonds ("Bunds") dropped by only approximately 70 basis points.

A parallel trend was observed on stock markets. Until mid-year, positive corporate news was the main reason for a bull market. In July, the DAX reached a new all-time high of 8,151 points. However, the onset of the subprime crisis placed pressure on stock markets as well. The price of stocks of financial services providers in particular experienced large corrections. In contrast, the winners were industrial companies, with export-oriented German companies benefiting mainly from the strong economy in East Asia.

> Business Activities

In 2007, Sachsen LB's operations included the Corporate Finance and Capital Markets business segments.

Corporate Finance

The Corporate Finance segment encompasses the domestic and international credit business, including subsidized loans. This segment also includes leasing and rental transactions, along with equity investments in unlisted companies. Corporate Finance is also home to the bank's financial engineering activities.

Capital Markets

Capital Markets encompasses the activities in Treasury, money market and currency trading, and trading in equities, bonds and derivatives. This is the segment where the results of liquidity management, interest rate, and currency management and the management of the capital structure are reported. It also covers the business with savings banks/other banks and institutional investors, and the activities of the subsidiary company Sachsen LB Europe plc.

> Fiscal Year 2007 in Review

Key trends at a glance:

- > In the 2007 fiscal year, Sachsen LB was heavily impacted by the effects of the subprime crisis. This necessitated fundamental changes in the bank's strategy and business policies.
- > Discussions concerning a partnership with WestLB were halted. The provision of a liquidity facility by the Landesbanks and close cooperation with Landesbank Baden-Württemberg (LBBW) enabled Sachsen LB to be stabilized in August, and the conditions for the planned integration into LBBW to be put into place. The framework for the future strategic direction and business activities of the bank were defined when a Foundation Agreement was signed between the shareholders of Sachsen LB and LBBW. New members were appointed to Sachsen LB's Board of Management.
- > The requirements of the Umwandlungsgesetz (Reorganization Act) passed by the Saxon State Parliament in July were met with Sachsen LB's change in legal form to a German public limited company in October. A contract was signed that governs the rights arising from the transfer of Sachsen LB's shares in trust to LBBW. During further negotiations in December 2007, the owners of Sachsen LB and LBBW reached an agreement on the purchase price and a risk shield for the portfolio. The measures required for the risk shield mainly include transferring the Ormond Quay (assets under management of €15.7bn) and Sachsen Funding (assets under management of €1.5bn) conduits previously managed by Sachsen LB Europe plc into a new special purpose entity financed by LBBW and the Landesbanks that are members of the Guarantee Fund. Future losses by the special purpose entity will be covered by a fixed liability guarantee totaling €2.75 billion furnished by the Free State of Saxony. Based on these measures, Sachsen LB and Sachsen LB Europe plc will be released from the risks associated with this special purpose entity.
- > Key business developments:
 - The result from ordinary business activities declined to €-641.6m (prior year: profit of €80.4m).
 - The result for the year showed neither a profit nor a loss due to direct and indirect injections of earnings by the new shareholder. Interest was not paid on dormant partner contributions or profit participation rights due to the terms of the contract, because paying these distributions would have led to a net loss for the year.
 - The loss from ordinary business activities was due to the losses incurred by the Capital Markets segment, which in turn resulted from developments on the capital markets.
 - During the period under review, the result generated by Corporate Finance made a positive contribution to the bank's result, but was unable to compensate for the negative contribution of Capital Markets.
 - Income from equity investments remained at the previous year's level, amounting to €146.7m due to the distributions by Sachsen US Real Estate GmbH and EastMerchant GmbH.

The developments on the US real estate market led to massive losses on securitization transactions. Whereas at the beginning only the US subprime sector was affected by the severe widening of credit spreads, this trend had spread to the market as a whole in the second half of the year. The resulting lack of liquidity in the markets and the subsequently limited opportunities for the bank to react led to significant valuation losses in present value terms in strategic capital market positions based on indicative prices and resulted in stop-loss limits being exceeded.

The declines in market value in present value terms amounted to a total of €1.8bn, €184m of which is attributable to SLBE as of the reporting date of December 31, 2007. Realized losses and permanent impairment were reflected in Sachsen LB's income statement in the amount of €371m. A significant portion of these realized losses resulted from an ABS fund, the forced liquidation of which resulted in a deficit of €190m (investment volume: €200m). The €1.2bn in negative market value changes incurred by Sachsen LB remaining at Sachsen LB are mainly due to conduits and fund investments by the bank and to some direct investments in CDO transactions. If the market recovers, there is potential for these investments to recover as well. A substantial portion of the negative market value changes are attributable to the portfolios shielded by the fixed liability guarantee.

The entire amount of economic capital made available for market price risks was used up by the negative market value changes. The bank reacted by freezing risk positions and deciding to close out positions without impacting the market.

> Liquidity Risk

The management of liquidity risk is carried out by Treasury/Markets on the basis of financial and strategic targets, while strictly observing regulatory requirements. Risk Control carries out its monitoring independently of Trading. There is separation of functions at both Sachsen LB and Sachsen LB Europe.

Liquidity risk in the narrower sense is seen as the most important for Sachsen LB; this is restricted by setting limits on the net liquidity gaps for the short, medium and long-term maturity bands. The remaining mismatches have to be covered by unsecured borrowing. The limits per maturity band are therefore set according to the potential refinancing available on the market.

Risk Control checks daily that these limits are observed. Monthly stress tests analyze solvency in different crisis situations.

Refinancing mismatches are reported to the members of the Board of Management and the units responsible for risk management on a daily basis. Monthly and quarterly reports on the liquidity position are sent to the entire Board and to the Supervisory Board.

Risk measurement

Liquidity risk in the narrower sense is calculated by establishing the refinancing mismatch, subtracting payments out from payments in. To assess the financial risk, potential refinancing from liquid securities and from undertakings by the Saxon savings banks are then deducted to give the net liquidity gap. In addition to the known cash flows from all relevant transactions, irrevocable loan commitments, guarantees, and lines of credit are included.

Until the crisis, the bank did not operate under the assumption of full liability in the case of the Ormond Quay structure in accordance with the contractual agreement based on its understanding of the situation and had therefore included the Ormond Quay structure in liquidity monitoring and management only up to the amount of the liquidity facility, not in the amount of the reference portfolio until the crisis erupted. As the crisis advanced, the bank changed its approach to Ormond Quay (including Castle View) and included the reference portfolios of this structure in liquidity risk monitoring and management.

Due to the decision by Sachsen LB to support the existing conduits by providing liquidity during the crisis, the reference portfolios were consequently included in full in liquidity requirements at the conduits above and beyond the liquidity facilities committed.

Stress tests simulate exceptional market situations. The existing scenarios – a general market crisis and a bank-specific crisis – were supplemented with additional scenario analyses. These relate in particular to the ability of the bank to supply the existing ABS funds and conduits with liquidity.

Market liquidity risk is considered under a market price risk stress test.

Risk trends during the year

It became increasingly difficult for Sachsen LB to obtain financing for the Ormond Quay structure due to the spread of the real estate crisis in the United States and the resulting drying up of the markets during the fiscal year. With the withdrawal of investors from the funding of the conduit structures and the resulting drop in the price of positions, Sachsen LB decided to provide support to these structures and vehicles. This decision to provide support resulted in an increase in the liquidity required in 2007 far exceeding the existing investment amounts and irrevocable commitments. Taking into account these circumstances, the liquidity situation of Sachsen LB was materially different compared to the beginning of the year, which led to a significant strain on liquidity. It was only through the bank pooling agreement among the Landesbanks and the investment in Sachsen LB by LBBW that the funding of the Ormond Quay structure, and therefore the liquidity of Sachsen LB, could be stabilized and secured for the long term.

The agreements providing for a risk shield will ensure that funding will be available in the future for the Ormond Quay and Sachsen Funding structures. This amounts to a volume of €17.2bn.

In the course of the first quarter of 2008, extensions must be arranged for funding amounting to €9.4bn apart from the portfolio covered by the risk shield. This funding is currently being provided in part by market partners (€4.5bn). Another portion (€1.2bn) of this liquidity can be obtained in open market transactions through the European Central Bank using securities from the portfolios. A funding requirement of €3.7bn therefore remains for this period; this amount can be covered by the liquidity reserves of Sachsen LB.

> Risk Management for Pfandbriefe

Issuing Pfandbriefe is a key part of the competitive refinancing strategy of Sachsen LB. Reflecting the core business of Sachsen LB, the focus is on public-sector Pfandbriefe. The volume outstanding amounted to €9.96bn as of December 31, 2007. Mortgage Pfandbriefe are much less important (volume outstanding: €0.003bn).

The bank has met all the requirements of the Pfandbrief Act. A separate system has been put in place to measure and monitor the market price risk specific to the Pfandbrief business and the cover assets, in accordance with § 27 PfandBG (Pfandbrief Act). Sachsen LB carries out separate nominal and net present value coverage calculations for public-sector and mortgage Pfandbriefe and determines the cover matching separately for each type of Pfandbrief. The market price risk arising from Pfandbrief business is quantified via stress analyses to calculate the impact of unexpected market movements on the net present value coverage. Sachsen LB uses the dynamic approach to simulate changes in interest rates and exchange rates. The stress tests are calculated using the actual market performance over the previous 250 trading days at a one-sided confidence interval of 99% and assuming a holding period of six months.

EXHIBIT G

Financial Stability Forum Report

as of June 30th, 2010.

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Financial Stability Forum Report.

The Financial Stability Forum (FSF) was founded in 1999 on the initiative of the G7, in order to ensure financial market stability on an international level. The idea behind the FSF is the regular exchange of information and international cooperation between central banks, regulatory authorities and international financial institutions with the aim of improving the functioning of the markets, increasing transparency and reducing systemic risk. Germany is represented in this forum by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority) among other organizations.

In view of the financial market crisis that has been continuing since 2007, the Financial Stability Forum has recommended additional disclosures on portfolios that could be affected by market disruptions. Although the disclosure of the information is currently voluntary, LBBW is fulfilling the main recommendations of the FSF by publishing this report.

The information on LBBW's securitization portfolio supplements the explanations in the Risk Report. Detailed information on the LBBW Group's exposure to monoliners and on the leveraged finance portfolio is also included.

1 LBBW Group: Securitization Portfolio.

1.1 Remark on Risk Protection.

In view of the turbulences in the financial markets, LBBW Group (referred to as »LBBW«) put in place a risk shield with the state of Baden-Württemberg in the form of a guarantee structure in effect from June 30th, 2009. LBBW has been granted a guarantee amounting to a total of EUR 12.7 billion to secure losses on a specified reference portfolio that contains ABS securities and loans granted by LBBW to the Irish special-purpose entity Sealink Funding Ltd. (Sealink). On December 15th, 2009, the European Commission gave its final approval of the risk shield provided by the state of Baden-Württemberg and the capital injection of EUR 5.0 billion from the owners.

One part of the guarantee in the amount of EUR 6.7 billion covers an ABS portfolio (»guarantee portfolio«) with an outstanding nominal volume of EUR 15.3 billion (as of June 30th, 2010). LBBW will bear the first losses from this guarantee portfolio up to an amount of EUR 1.9 billion, which was fully included on the balance sheet in the fiscal year of 2009. Any losses beyond this amount will be absorbed by the guarantee. Should further losses occur after the guarantee has been fully utilized, these shall be borne by LBBW.

The remaining EUR 6.0 billion of the guarantee covers a loan granted by LBBW to the special-purpose entity Sealink.

1.2 Performance of LBBW's Securitization Portfolios and Customer Transactions.

LBBW is invested in securitizations in the amount of EUR 23.7 billion¹ (including the guarantee portfolio) and also holds customer transactions in the volume of EUR 2.0 billion as of June 30th, 2010. This includes the ABCP conduit Weinberg Capital Ltd. set up and managed by LBBW, the vehicle Georges Quay Funding I Ltd. and the fund investments (LAAM funds) taken over as part of the acquisition of Sachsen LB. LBBW has gradually taken over the refinancing of Georges Quay and the LAAM funds (Georges Quay since the end of 2009, two LAAM funds since the first quarter of 2010). Projected to be finished by 2010, LBBW will also refinance the last of the LAAM funds. In the following sections, the non-guaranteed portfolio (section 1.5), the guaranteed portfolio (section 1.6) and the customer transactions (section 2) will be explained in more detail.

Performance of the Securitization Portfolio and Customer Transactions as of June 30th, 2010 with Look-through.

Outstanding Volume in EUR Billion	Reporting Date June 30th, 2010	Changes	Reporting Date December 31st, 2009
Securitization portfolio	23.7	- 0.8	24.5
of which ABS investments	17.6	- 0.5	18.1
of which Georges Quay	3.2	- 0.1	3.3
of which LAAM funds	2.9	- 0.2	3.1
Customer transactions	2.0	0.2	1.8

Figures may be subject to rounding differences.

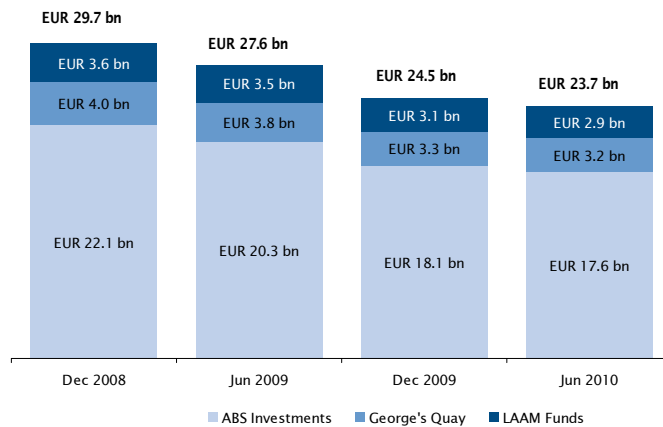
Compared to the end of 2009, the total securitization portfolio has been reduced by EUR 0.8 billion. This reduction is caused by amortization, changes in FX-rates, sales, restructuring and losses.

LBBW is aiming to successively reduce its securitization portfolio by not making new investments in these products. The existing portfolio will be further reduced by active portfolio management along with restructuring and amortization.

LBBW is planning to expand its business in customer transactions (see section 2).

¹ Statements concerning the risk situation below are based on the management approach.

Development of LBBW's Securitization Portfolio.



The majority of the portfolio volume (around 77 %) comprises securities with investment grade ratings (rating class AAA to BBB). Approximately 39 % of the overall volume of securitized products are rated with the highest rating (AAA).

Losses from non-synthetic transactions in a volume of EUR 257 million (December 31, 2009: EUR 145 million) are primarily write-downs on US RMBS Alt-A transactions. In addition, ongoing (interest) payments have not been received for the (already impaired) structured investment vehicles (SIVs) or for a smaller number of CDO and US RMBS Alt-A transactions. The synthetic securitization portfolio experienced a total capital loss of EUR 359 million (December 31, 2009: EUR 357 million). This amount includes write-offs in the amount of EUR 234 million as of June 30th, 2010 (December 31, 2009: EUR 187 million).

1.3 Development of Equity and Income Statement Effects.

Securitization Portfolio: Effects in Equity and Income Statement (IFRS).¹⁾

in Million EUR Asset Class	Effects in Income ²⁾		Effects in Equity ³⁾	
	Jun. 30th, 2010	Jun. 30th, 2009	Jun. 30th, 2010	Jun. 30th, 2009
CDO	37	74	60	73
RMBS	45	- 85	60	42
CMBS	26	- 14	8	6
Other ABS	44	- 16	9	42
Total	152	- 41	137	163

1) Statement without proprietary trading. 2) Recognized in income: change in income statement. 3) Recognized in equity: change in equity item (revaluation reserve).

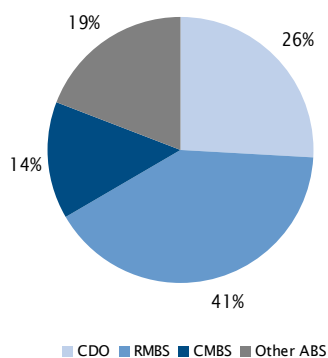
All of the above asset classes are included in LBBW's consolidated financial statements for the first half of 2010 and are subject to ongoing market assessment as well as risk valuation. Positive earnings effects were generated for the various securitizations as of June 30th, 2010 on account of market developments. Nonetheless, the securitization portfolio was influenced by impairments totaling approximately EUR -73 million as of the end of the first half of 2010. The impairments contain RMBS with nearly 80%, CDOs with approximately 13% and other ABS with 7%. Under the risk protection resolved with the state of Baden-Württemberg, total impairments of EUR 40 million were covered by the guarantee.

The effects on equity as of June 30th, 2010 result from positive changes in market values in the respective asset classes, of which 43.5% related to both CDOs and RMBSs respectively. As of the reporting date, approximately 97% of the ABS portfolio is reported in »Loans and Receivables« (LAR) and approximately 3% in »Available for Sale« (AFS).

1.4 Asset Classes in LBBW's Securitization Portfolio.

LBBW's securitization portfolio is well-diversified across various asset classes and countries mainly focused on the European and the US market. Detailed information on these asset classes is provided in the following chapters. The portfolio is distributed across the following asset classes:

Securitization Portfolio – Asset Class Distribution. (Outstanding Volume EUR 23.7 billion).



Collateralized Debt Obligations (CDO):

The term »CDO« covers transactions based on different types of collateral. These essentially involve debt claims on companies, financial institutions and sovereigns.

Also, ABS transactions form the underlying for the asset class CDO of ABS. These ABS transactions can include residential mortgage backed securities along with consumer loans, leasing receivables, commercial mortgage backed securities and CDOs.

Commercial Mortgage Backed Securities (CMBS):

The term CMBS covers all transactions that are secured by commercially used or managed properties. This can include office, retail or multi-family properties, shopping centers or mixed use.

Residential Mortgage Backed Securities (RMBS):

The term RMBS covers all transactions that are secured by residential properties.

Detailed information on these asset classes is provided in the following chapters. In view of the guarantee structure, the ABS portfolio was reported separately for the non-guaranteed and guaranteed partial portfolios.

Rating Designation:

The allocation to the different rating categories was carried out on the basis of information from the rating agencies. The lowest available rating from Moody's, Standard & Poor's or Fitch Ratings, which can differ significantly from each other in some cases, was applied using a conservative approach. For transactions without an external rating but with an internal credit rating, the lowest internal rating was mapped onto the S&P rating.

Transactions reported as NR («not rated») are primarily securitized items impaired by LBBW whose external rating was withdrawn or arose from restructuring.

1.5 Assets not Secured by the Risk Shield Provided by the State.

With an outstanding nominal volume of EUR 8.4 billion, the partial portfolio not secured by the guarantee from the State of Baden-Württemberg comprises the following ABS investments.

Non-Guarantee Portfolio by Asset-Class and Rating.

Outstanding Volume in Million EUR as of June 30th, 2010	AAA	AA	A	BBB	BB to B	CCC to C	D	NR	Total	
CDO	369	471	149	176	477	276	0	33	1 952	23.1 %
RMBS	3 547	186	158	0	0	2	0	0	3 893	46.1 %
CMBS	198	33	65	29	0	0	0	0	324	3.8 %
Other ABS	1 036	516	614	0	0	0	0	113	2 279	27.0 %
Total Investments	5 150	1 206	986	205	477	279	0	146	8 449	100.0 %
	61.0 %	14.3 %	11.7 %	2.4 %	5.7 %	3.3 %	0.0 %	1.7 %	100.0 %	

The lowest external rating was generally applied and mapped to S&P's rating scale. Figures may be subject to rounding differences.

This non-guaranteed portfolio continues to have a good rating level. The bulk of the portfolio includes AAA-rated positions. Only a small proportion (11 %) are in the non-investment grade range. Hedges are in place for 3 % of the volume reported. Insurance is provided by monoline insurers (2 %) and state institutions (1 %). The majority of the non-guaranteed portfolio (61 %) focuses on transactions on the European market: The countries currently most affected by the financial market crisis, Greece, Italy, Ireland, Portugal and Spain represent 24 % of the portfolio not covered by the guarantee.

In the following sections, the non-guaranteed securitization portfolio is presented in detail focusing in particular on the asset classes CDO, RMBS and CMBS. The non-guaranteed »other ABS« portfolio contains a single credit card transaction being AAA-rated and representing 0.5 % of the outstanding volume.

1.5.1 CDO Portfolio.

The portfolio not covered by the guarantee contains 23 % CDO transactions, thereof around 43 % CLOs and 48 % synthetic CDOs.

Non-Guarantee Portfolio - CDO Portfolio by Asset-Sub-Type and Rating.

Outstanding Volume in Million EUR as of June 30th, 2010	AAA	AA	A	BBB	BB to B	CCC to C	D	NR	Total	
Asset-Sub-Type										
CDO of ABS	5	1	33	11	23	31	0	0	104	5.3%
CLO	247	469	117	0	3	0	0	0	835	42.8%
Synthetic CDO	82	0	0	145	437	245	0	33	942	48.3%
Other CDO	34	1	0	20	15	0	0	0	70	3.6%
Total CDO	369	471	149	176	477	276	0	33	1 952	100.0%
	18.9%	24.1%	7.7%	9.0%	24.5%	14.2%	0.0%	1.7%	100.0%	

The lowest external rating was generally applied and mapped to S&P's rating scale. Figures may be subject to rounding differences.

Around 60 % of the CDO portfolio is investment grade rated. The remaining 40 % are classified as non-investment grade with main focus on synthetic CDOs.

41 % of the CDO portfolio are most senior positions while only 0.5 % are first loss tranches. Hedges are in place for 9 % of the CDO volume; these are provided by monoline insurers (5 %) and sovereigns (4 %).

1.5.2 RMBS Portfolio.

The RMBS transactions not covered by the guarantee in the amount of EUR 3.9 billion are characterized by a high rating level. A minor fraction of 0.1 % is rated below investment grade.

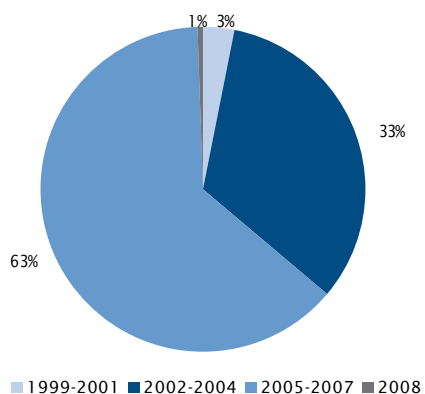
Non-Guarantee Portfolio -RMBS Portfolio by Country and Rating.

Outstanding Volume in Million EUR as of June 30th, 2010	AAA	AA	A	BBB	BB to B	CCC to C	D	NR	Total	
Country/Asset-Sub-Type										
USA	2	9	5	0	0	2	0	0	17	0.4 %
thereof: US Alt-A	2	7	2	0	0	0	0	0	11	61.2 %
thereof: US Subprime	0	2	3	0	0	0	0	0	5	26.4 %
UK	796	3	0	0	0	0	0	0	798	20.5 %
thereof: UK Non-Conforming	133	3	0	0	0	0	0	0	136	17.0 %
Spain	1 221	28	0	0	0	0	0	0	1 249	32.1 %
Other	1 529	147	154	0	0	0	0	0	1 829	47.0 %
Total RMBS	3 547	186	158	0	0	2	0	0	3 893	100.0 %
	91.1 %	4.8 %	4.1 %	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	100.0 %	

The lowest external rating was generally applied and mapped to S&P's rating scale. Figures may be subject to rounding differences.

The focus of the RMBS portfolio is primarily on 2005 to 2007 vintages (63%). A minor fraction of around 1 % refers to transactions issued in 2008. Monoliners insure 0.4% of the outstanding RMBS.

Distribution of RMBS by Vintage (Outstanding Volume EUR 3.9 billion).



With EUR 16 million the exposure to US Alt-A and subprime RMBS is on a relatively low level. Earlier vintages of these asset classes (2003 and 2004) perform significantly better than vintages directly affected by the subprime crisis.

UK Non-Conforming RMBS are mostly AAA-rated and issued between 2002 and 2007.

The non-guaranteed RMBS portfolio contains around 32 % Spanish RMBS with good credit quality (98 % AAA-rated). The remaining 2 % are AA rated. The majority of these RMBS bonds are most senior positions. Investments in Spanish RMBS were primarily made in 2003 (22 %) and 2006 (24 %) vintages.

The term »Other« mainly comprises Dutch (54 %), Italian (14 %) and Greek RMBS (8 %). The majority of these securities have AAA ratings.

1.5.3 CMBS Portfolio.

The CMBS acquired by LBBW are secured by properties mainly used as offices and retail buildings. The non-guaranteed CMBS portfolio in the volume of EUR 324 million is primarily focused on properties in European markets.

Non-Guarantee Portfolio -CMBS by Country and Rating.

Outstanding Volume in Million EUR as of June 30th, 2010		AAA	AA	A	BBB	BB to B	CCC to C	D	NR	Total	
Asset Class	Country										
CMBS	Europe*	42	0	25	23	0	0	0	0	90	27.7%
	Germany	87	0	18	6	0	0	0	0	111	34.3%
	UK	49	0	22	0	0	0	0	0	70	21.7%
	Singapore	0	33	0	0	0	0	0		33	10.0%
	USA	20	0	0	0	0	0	0	0	20	6.3%
Total CMBS		198	33	65	29	0	0	0	0	324	100.0%
		61.1 %	10.0%	19.9%	8.9%	0.0%	0.0%	0.0%	0.0%	100.0%	

The lowest external rating was generally applied and mapped to S&P's rating scale.

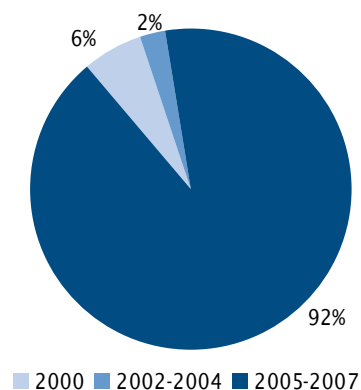
Figures may be subject to rounding differences.

*Europe: no explicit classification, due to geographic distribution across several countries CMBS from Luxembourg were added to Germany as the underlying loans are German.

All of the above CMBS transactions are rated investment grade with the majority being AAA-rated. Vintages from 2005 to 2007 form the largest part of this asset class - with over 50% issued in 2007, followed by 2005 (23%) and 2006 (15%) vintages.

UK CMBS comprises 22% of the CMBS portfolio, most of which is rated AAA.

Distribution of CMBS by Vintage (Outstanding Volume EUR 324 million).



1.6 Assets Secured by the Risk Shield Provided by the State – Guarantee Portfolio.

The guaranteed portfolio includes ABS investments of an outstanding nominal volume of EUR 15.3 billion as of June 30, 2010. LBBW assumes the first losses of up to EUR 1.9 billion. The guarantee of the State of Baden-Württemberg at the amount of EUR 6.7 billion will take effect only if the first loss is completely depleted. All losses exceeding this would again be assumed by LBBW. As of December 31, 2009, the first loss has been fully consummated through the P&L.

Guarantee Portfolio by Asset-Class and Rating.

Outstanding Volume in Million EUR as of June 30th, 2010	AAA	AA	A	BBB	BB to B	CCC to C	D	NR	Total	
Asset-Sub-Type										
CDO	209	1 096	446	334	1,213	584	196	104	4 182	27.4%
RMBS	2 306	1 170	323	42	199	1 676	68	0	5 785	37.9%
CMBS	841	918	633	475	56	131	0	0	3 054	20.0%
Other ABS	706	477	206	413	236	89	33	86	2 246	14.7%
Total Investments	4 062	3 662	1 609	1 265	1 703	2 480	296	190	15 267	100.0%
	26.6%	24.0%	10.5%	8.3%	11.2%	16.2%	1.9%	1.2%	100.0%	

The lowest external rating was generally applied and mapped to S&P's rating scale. Figures may be subject to rounding differences.

The majority of the ABS investments in the guarantee portfolio is still of good rating quality: EUR 10.6 billion is rated in the investment grade range and 11 % of the guarantee portfolio is insured via monoliners. The majority of the guaranteed portfolio focuses on transactions on the European market (54 %) and the US market (41 %). Portugal, Italy, Ireland and Spain represent 17 %.

In the following sections, the guaranteed securitization portfolio is presented in detail focusing in particular on the asset classes CDO, RMBS, CMBS and Credit Cards.

1.6.1 CDO Portfolio.

The guaranteed CDO portfolio in the amount of EUR 4.2 billion contains 36% CLOs, 32% other CDOs and 30% CDO of ABS.

Guarantee Portfolio - CDO Portfolio by Asset-Sub-Type and Rating.

Outstanding Volume in Million EUR as of June 30th, 2010	AAA	AA	A	BBB	BB to B	CCC to C	D	NR	Total	
Sub-Asset Class										
CDO of ABS	15	69	58	57	529	413	88	8	1 237	29.6%
CLO	142	846	341	116	36	0	0	36	1 517	36.3%
Synthetic CDO	0	0	0	0	0	0	50	60	110	2.6%
Other CDO	52	182	48	160	648	170	58	0	1 318	31.5%
Total CDO	209	1 096	446	334	1 213	584	196	104	4 182	100.0%
	5.0%	26.2%	10.7%	8.0%	29.0%	14.0%	4.7%	2.5%	100.0%	

The lowest external rating was generally applied and mapped to S&P's rating scale. Figures may be subject to rounding differences.

50% of these CDO positions are rated investment grade. The remaining 50% (mainly CDO of ABS and other CDOs) are not investment grade rated.

Approximately 85% of the CDO portfolio are most senior positions while only 1% is first loss tranches. Hedges are in place for 23% of the CDO volume, these are provided mainly by monoline insurers.

Other CDOs mainly include Trust Preferred Security CDO, Commercial Real Estate CDO and Collateral Bond Obligations.

1.6.2 RMBS Portfolio.

As of the reporting date, the guaranteed RMBS portfolio is mainly investment grade rated (66%) amounting to EUR 5.8 billion, primarily invested in the US market (36%) and in Europe, the UK (31 %) and Spanish market (17%). Most of the RMBS investments were originated in 2006 and 2007. Some 21 % are 1999 to 2005 vintages.

Guarantee Portfolio - RMBS by Country and Rating.

Outstanding Volume in Million EUR as of June 30th, 2010	AAA	AA	A	BBB	BB to B	CCC to C	D	NR	Total	
Country/Sub-Asset Class										
USA	8	95	52	35	158	1 676	68	0	2 092	36.2 %
thereof: US Alt-A	8	72	46	26	77	1 431	68	0	1 727	82.6 %
thereof: US Subprime	0	0	0	0	0	213	0	0	213	10.2 %
UK	1 284	385	60	0	40	0	0	0	1 769	30.6 %
thereof: UK Non-Conforming	811	327	44	0	40	0	0	0	1 223	69.1 %
Spain	171	577	207	0	0	0	0	0	955	16.5 %
Other	844	113	4	7	0	0	0	0	969	16.7 %
Total RMBS	2 306	1 170	323	42	199	1 676	68	0	5 785	100.0 %
	39.9 %	20.2 %	5.6 %	0.7 %	3.4 %	29.0 %	1.2 %	0.0 %	100.0 %	

The lowest external rating was generally applied and mapped to S&P's rating scale. Figures may be subject to rounding differences.

The exposure to US-Alt-A and subprime mainly results from the integration of former Sachsen LB. The majority of these assets has already been written down with primary focus on vintages 2006 and 2007, the worst affected by the crisis. This is also reflected in the rating downgrades.

The UK RMBS portfolio amounts to EUR 1.8 billion, thereof 69 % UK Non-Conforming. The UK Non-Conforming portfolio is still of good quality with 66 % AAA-rated transactions. 3 % of investments in this segment have a rating lower than investment grade. Almost 60 % of the transactions are from 2006 and 2007, while the remaining 40 % are 2004 and 2005 vintages.

All Spanish RMBS under the guarantee in the amount of almost EUR 1 billion are investment grade rated: 18 % AAA and 60 % AA.

The term »Other« mainly comprises Italian (7 %), Portuguese (5 %) and Dutch (2 %) RMBS based on the total volume.

1.6.3 CMBS Portfolio.

The guaranteed CMBS portfolio amounts to EUR 3.1 billion. CMBS investments were made primarily in the European market with a focus on the UK.

Guarantee Portfolio - CMBS by Country and Rating.

Outstanding Volume in Million EUR as of June 30th, 2010		AAA	AA	A	BBB	BB to B	CCC to C	D	NR	Total	
Asset Class	Country										
CMBS	UK	405	580	254	348	12	131	0	0	1 731	56.7%
	Germany	0	51	258	58	0	0	0	0	367	12.0%
	Europe*	37	187	22	0	44	0	0	0	289	9.5%
	USA	162	49	28	20	0	0	0	0	259	8.5%
	France	65	31	0	50	0	0	0	0	146	4.8%
	Singapore	45	0	0	0	0	0	0	0	45	1.5%
	Netherlands	78	0	10	0	0	0	0	0	88	2.9%
	Austria	35	0	6	0	0	0	0	0	41	1.3%
	Japan	11	14	19	0	0	0	0	0	44	1.4%
	Ireland	0	0	36	0	0	0	0	0	36	1.2%
	Sweden	0	8	0	0	0	0	0	0	8	0.2%
	Italy	1	0	0	0	0	0	0	0	1	0.0%
Total CMBS		841	918	633	475	56	131	0	0	3 054	100.0%
		27.5%	30.1%	20.7%	15.6%	1.8%	4.3%	0.0%	0.0%	100.0%	100.0%

The lowest external rating was generally applied and mapped to S&P's rating scale. Figures may be subject to rounding differences.

*Europe: no explicit classification, due to geographic distribution across several countries CMBS from Luxembourg were added to Germany as the underlying loans are German.

The CMBS portfolio is of high credit quality with 94% investment grade-rated securities.

The UK CMBS investments of LBBW amounting to EUR 1.7 billion still have a good rating quality with 92% of assets in the investment grade range. At 17%, the share of the UK CMBS portfolio from 2007 can be described as moderate from a risk perspective. Instead, the focus is on the 2005 (36%) and 2006 (44%) years of issue.

1.6.4 Credit Card Portfolio.

Credit Cards account for around 4% of the guaranteed LBBW securitization portfolio, containing credit card receivables from the US (64%) and the UK (36%).

These investments are in most senior tranches which, apart from three AA-rated transactions (around 31% of Credit Card volume), retain the highest rating.

1.7 ABCP Program.

During 2009 and at the beginning of 2010, LBBW restructured the ABCP program as follows. The arbitrage vehicles Mainau Funding Ltd. and Lake Constance 2 Funding Ltd. are no longer contained in the ABCP program. Bodensee 2 Funding Ltd. was closed down in July 2009, while Mainau Funding Ltd. was removed from the ABCP program in October 2009 (Mainau Funding Ltd. was included in the consolidated financial statements of LBBW, and ABS investments of Mainau Funding Ltd. are contained in LBBW's securitization portfolio). In addition, further changes to the structure of the ABCP program were carried out in January 2010:

- The sole purpose of the new ABCP program lies in the financing of trade receivables and interest-bearing receivables sold to the program by target customers of LBBW (largely SMEs as well as financing institutions and leasing companies).
- The special-purpose entity Weinberg 2 Funding Ltd. was renamed Weinberg Capital Ltd. in November 2009 (solely a change of name). Weinberg Capital Ltd. is now a purchasing and CP-issuing company and in this capacity is simultaneously taking on the refinancing of the second purchasing company, Weinberg Funding Ltd. The previous commercial paper (CP) issuing special-purpose entities Lake Constance Funding Ltd. and Lake Constance Funding LLC were closed down as well as the special-purpose entity Peter Pike.
- LBBW is providing liquidity lines for the two purchasing companies Weinberg Funding Ltd. and Weinberg Capital Ltd. Contrary to the previous structure, these are »fully supported« liquidity lines that cover also asset credit risks. In the previous structure, these were covered by a letter of credit (LOC) provided by LBBW which is no longer necessary.
- The CP issued by Weinberg Capital has a short-term rating from Moody's (P-1) and Fitch (F1+). The underlying receivables portfolio can optionally be an individual receivables portfolio (»special series«) or the residual number of all remaining portfolios (»general series«).

As of June 30th, 2010, LBBW is providing the purchasing companies Weinberg Funding Ltd. and Weinberg Capital Ltd. with liquidity lines amounting to EUR 2.0 billion (see section 2 for details). Neither Weinberg Funding Ltd. nor Weinberg Capital Ltd. were consolidated in the LBBW consolidated financial statements for the first half of 2010.²

1.8 Sealink Funding: Loan granted by LBBW.

When Sachsen LB was acquired by LBBW, the structured portfolios Ormond Quay and Sachsen Funding I were excluded from the acquisition. These portfolios with an aggregated nominal outstanding of originally EUR 17.3 billion were transferred to the Irish special purpose vehicle, Sealink Funding Ltd. («Sealink»), established in 2008.

The Free State of Saxony has issued a first loss guarantee in the amount of EUR 2.75 billion to cover losses arising from the Sealink portfolio. Losses relating to former Sachsen Funding I assets were covered by LBBW up to an amount of EUR 71.3 million (the »Special First Loss Guarantee«). Since June 30, 2009, defaults exceeding the guarantee provided by the Free State of Saxony up to an amount of EUR 6 billion have been covered by the risk shield of the State of Baden-Württemberg. All other losses beyond this amount would be assumed predominantly by the other Landesbanks involved.

LBBW expects that the guarantee of the Free State of Saxony and the guarantee of the State of Baden-Württemberg will cover all risks arising from the portfolios transferred to Sealink.

¹ The individual receivables portfolios with their applicable refinancing in Weinberg Funding Ltd. and Weinberg Capital Ltd. represent 'cells' (transactions definable on the basis of opportunities and risks). Under IAS 27 in conjunction with SIC 12, Weinberg Funding Ltd. and Weinberg Capital Ltd. must be consolidated. However, as they serve merely as shells they do not fulfil the materiality criteria and are therefore not consolidated. The individual cells do not have to be consolidated. The majority of the opportunities and risks of each cell remain with the seller of the receivable or with third parties.

2 Customer Transactions.

In addition to the ABS-investment portfolio, LBBW is involved in the segment of customer transactions. This category includes transactions with receivable purchase commitments in a volume of EUR 2.0 billion. Of the entire customer transaction portfolio, approximately EUR 0.9 billion relates to trade receivables and approximately EUR 1.1 billion to interest-bearing receivables (particularly leasing receivables).

The following table illustrates the distribution of the portfolio by rating class.

Customer Transactions by Rating.

Outstanding Volume in Million EUR as of June 30th, 2010	AA	A	BBB	Total	
Sub-Asset Class					
Trade receivables	0	716	167	883	44.3%
Interest-bearing receivables	204	610	298	1 112	55.7%
Total customer transactions	204	1 326	465	1 995	100.0%
	10.2%	66.5%	23.3%	100.0%	

The lowest external rating was generally applied and mapped to S&P's rating scale. Figures may be subject to rounding differences.

The majority of the exposure to trade and interest-bearing receivables is related to SMEs. This customer-driven business is primarily focused on the German market and transactions are exclusively rated internally in investment grade. The receivables are acquired by the purchasing companies Weinberg Funding Ltd. and Weinberg Capital Ltd. LBBW provides liquidity lines of EUR 2.0 billion available for this purpose. Funding is provided through LBBW's Asset-Backed Commercial Paper (ABCP) program. As an investment vehicle Weinberg Capital Ltd. also issues these ABCPs.

LBBW is planning to expand this customer-driven business.

3 Leveraged Finance Portfolio.

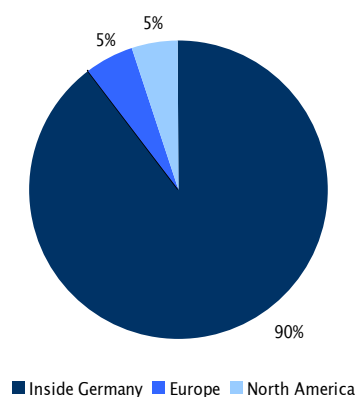
As part of its overall credit strategy, LBBW primarily incorporates financing for acquisitions involving a high degree of financial leverage (usually over 50%) into its leveraged financing. As part of its small and medium sized corporate banking business, the bank supports customers in debt-financed strategic purchase financing and succession planning. In addition, investments by financial investors in small and medium-sized corporate customers are also financed in this area of business. Investments carried out as part of these business activities are included in the leveraged finance portfolio.

LBBW performs the following services for its small and medium-sized customers as part of its strategy in business with small and medium-sized companies: origination, structuring and arrangement as a mandated lead arranger or co-lead for regional as well as national syndicated financing transactions for acquisitions. In view of its trusting and long-standing customer relationships with SMEs, LBBW assumes fixed syndicate shares in the amount of 20-25% as part of a predominantly »buy and hold« strategy.

There have been indications of a cautious recovery in finance business in Germany in 2010. There is a growing number of transactions based on strategic options in the buying and selling of companies or parts of companies in the SME target customer landscape. With the consolidation of the leveraged finance portfolio continuing, it contracted by EUR 0.5 billion (7%) as against December 31st, 2009 to EUR 5.7 billion as of June 30th, 2010. The average exposure per investment was around EUR 41 million.

The following overview lists the risk positions from around 140 leveraged finance corporate loans, ordered according to region, sector and rating.

Regional Distribution as of June 30th, 2010.



The main focus is on the German market, particularly in the core area of Baden-Württemberg. In order to round out the portfolio and to avoid regional clustering, transactions with a balanced risk profile were acquired in the past, particularly on the English-speaking markets in London and New York. Under LBBW's new strategy, these activities will no longer be continued there and in some cases will be scaled back.

Leveraged Finance Portfolio by Sector as of June 30th, 2010.

Sector	
Automobile	56.8%
Non-Industry-Specific Tools and Machine Construction	5.9%
Health Care	4.7%
Apparel, Sporting Equipment and Luxury Goods	3.6%
Chemicals	3.4%
Construction Industry	2.9%
Cross-Sector Services for Companies	2.7%
Conglomerates/Conglomerate Holding Companies	2.5%
Transport and Logistics	2.4%
Food Retail and Other Non-Cyclical Consumer Goods	2.0%
Other	13.0%
Total	100.0 %

Figures may be subject to rounding differences.

The high concentration in the automotive sector is due to a single, large-volume transaction. The rest of the portfolio is well diversified.

Rating	AAA - A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+ - C	SD/D	NR
in %	0.2 %	0.1 %	3.1 %	4.3 %	5.0 %	10.9 %	5.5 %	59.4 %	3.8 %	0.0 %	0.0 %	7.4 %	0.3 %

The average rating is B+, with 88.5% of the portfolio lying in this rating class or higher. New business is predominantly entered into in the rating classes BB+ to BB-, where it must be clear from company data on the business development of the borrower that the rating will improve rapidly as repayments progress.

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EXHIBIT H



4741498

SEALINK FUNDING LIMITED

(Incorporated: 25 February 2008)
Registration number: 453842

Abridged financial statements
for the year ended 31 December 2009

C. R. O.

07 JUL 2011

12

SEALINK FUNDING LIMITED

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Statement of directors' responsibilities	2
Independent auditors' report	3 - 5
Abridged balance sheet	6
Notes forming part of the financial statements	7 - 12

Sealink Funding Limited

Corporate information

Directors	Alan Geraghty Peter Blessing Roger McGreal
Registered Office	First Floor 7 Exchange Place IFSC Dublin 1 Ireland
Administrator	Neuberger Berman Europe Limited Lansdowne House 57 Berkeley Square London W1J 6ER United Kingdom
Servicer	QSR Management Limited One Canada Square London E14 5AL United Kingdom
Security Trustee	BNY Mellon Corporate Trustee Services Limited One Canada Square London E14 5AL United Kingdom
Custodian	The Bank of New York One Canada Square London E14 5AL United Kingdom
Secretary	Wilmington Trust SP Services (Dublin) Limited First Floor 7 Exchange Place IFSC Dublin 1 Ireland
Auditor	Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2 Ireland

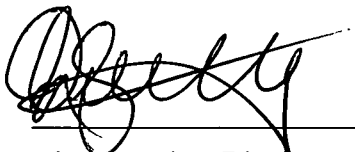
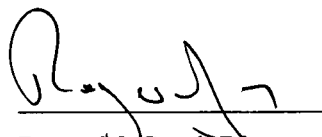
Sealink Funding Limited

Statement of directors' responsibilities in respect of the financial statements

Irish Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts 1963 to 2009. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Alan Geraghty, Director
Roger McGreal, Director



INDEPENDENT AUDITORS' SPECIAL REPORT TO THE DIRECTORS OF SEALINK FUNDING LIMITED PURSUANT TO SECTION 18(3) OF THE COMPANIES (AMENDMENT) ACT, 1986

On 7 July 2011, we reported, as independent auditors of Sealink Funding Limited, to the directors of the company on the copy of the abridged financial statements for the period ended 31 December 2009 which comprise the abridged balance sheet and related notes 1 to 8 and our report was as follows:

"We have examined:

- (i) the abridged financial statements for the period ended 31 December 2009 which comprise the abridged balance sheet and related notes 1 to 8 which the directors of Sealink Funding Limited propose to annex to the annual return of the company; and
- (ii) the financial statements laid before the annual general meeting, which form the basis for those abridged financial statements.

Respective responsibilities of directors and auditors

It is the responsibility of the directors to prepare properly the abridged financial statements. It is our responsibility to form an independent opinion on those abridged financial statements and to report our opinion to you.

Basis of audit opinion

The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to annex abridged financial statements to the annual return and that those abridged financial statements have been properly prepared, pursuant to Sections 10 to 12 of the Companies (Amendment) Act, 1986, from the financial statements to be laid before the annual general meeting.

Opinion

In our opinion the directors are entitled under Section 18 of the Companies (Amendment) Act, 1986 to annex to the annual return of the company abridged financial statements and those abridged financial statements have been properly prepared pursuant to the provisions of Sections 10 to 12 of that Act (exemptions available to small and medium-sized companies)."

On 27 June 2011, we reported, as independent auditors of Sealink Funding Limited, to the members on the company's financial statements for the period ended 31 December 2009 to be laid before its annual general meeting, and our report was as follows:



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEALINK FUNDING LIMITED

We have audited the company's financial statements of Sealink Funding Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. – Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation which may require the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.



Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the company as at 31 December 2009 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The company balance sheet shows an excess of liabilities over assets and, in our opinion, on that basis there did exist at 31 December 2009 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 may require the convening of an extraordinary general meeting of the company.

A handwritten signature in cursive script, appearing to read 'Ernst & Young'.

Ernst & Young
Chartered Accountants & Registered Auditors

Date: 7 July 2011

Sealink Funding Limited

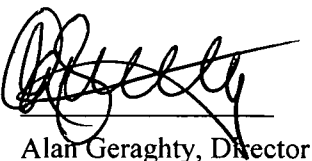
Abridged Balance sheet

As at 31 December 2009

	Note	2009 EUR'000	2008 EUR'000
Financial Assets			
Debt and other fixed income securities		10,952,720	14,054,368
		<u>10,952,720</u>	<u>14,054,368</u>
Current Assets			
Cash and cash equivalents		146,859	234,012
Other assets and receivables		16,194	54,488
Guarantee account		26,491	-
		<u>189,544</u>	<u>288,500</u>
Creditors: Amounts falling due within one year	2	(105,765)	(189,034)
Net current assets		<u>83,779</u>	<u>99,466</u>
Creditors: Amounts falling due after more than one year	3	(13,331,799)	(15,128,364)
Net liabilities		<u>(2,295,300)</u>	<u>(974,530)</u>
Shareholders' Equity			
Share capital	4	-	-
Profit and loss account		(2,295,300)	(974,530)
		<u>(2,295,300)</u>	<u>(974,530)</u>

We have relied on specified exemptions contained in Sections 10 and 12 of the Companies (Amendment) Act, 1986 on the grounds that the company is entitled to the benefit of those exemptions as a small company.

The financial statements were approved by the Board of Directors on 5 July 2011 and signed on its behalf by:-


Alan Geraghty, Director


Roger McGreal, Director

Sealink Funding Limited

Notes to the Abridged Financial Statements

For the year ended 31 December 2009

1. Accounting Policies

(a) Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and to comply with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland, and company law comprising the Companies Acts, 1963 to 2009. Due to the nature of the Company's business and type of transactions the Company is engaged in, the Directors have adopted the profit and loss account to suit the circumstances of the business in accordance with section 4(13) of the Companies (Amendment) Act, 1986. The financial statements are expressed in Euro (€).

The financial statements are prepared on a going concern basis. The Directors assess the going concern based on the fact that the funding provided by the Senior and Junior lenders is limited recourse in nature, which means, that any losses made by the Company are ultimately borne by the Loan holders. The Company has also been furnished with a €2.75 billion guarantee which results in the Guarantor assuming all indirect and direct risks in relation to payment defaults on the portfolio assets up to this amount. The Directors consider the cash held at the balance sheet date to be sufficient to cover any accrued expenses and foreseeable overheads over the year from the date of approval of these accounts.

(b) Interest income and expense

Interest income and interest expenses are accrued for on a daily basis. Discounts/premiums on purchased securities are amortised/accreted over the life of the securities and released to the profit and loss account on a straight line basis.

(c) Recognition of guarantee income

Income received for actual principal losses incurred on the guaranteed assets (see note 19) is recognised when the actual principal loss occurs. No income is recognised for implied principal losses as receipt of this income is deemed uncertain at the balance sheet date. Actual principal losses consist of actual payment defaults in relation to the principal repayment schedules of the guaranteed assets. Implied principal losses are future estimated losses, which are expected to occur over the life time of the guaranteed asset.

(d) Taxation

Corporation tax is provided on taxable profits at current attributable rates. Deferred tax is recognised in respect of all temporary differences than have originated but not reversed at the balance sheet date. Deferred tax is not recognised on permanent differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

(e) Debt securities and other fixed income securities

Debt securities held for use on a continuing basis in the Company's activities are carried at cost, adjusted for the amortisation of premium and accretion of discount. Premiums and discounts are amortised, or accreted respectively, to interest income over the period to maturity. In cases where a security is deemed to be impaired, its value is written down through profit and loss to its impaired value.

Sealink Funding Limited

Notes to the Abridged Financial Statements

For the year ended 31 December 2009

1. Accounting Policies (continued)

(f) Loans payable

Loans payable comprise the principal of multi-currency loan facilities made available to the Company. Loans payable are recognised when the Company becomes a party to contractual provisions of the loans. Loans payable are initially measured at cost. Subsequently, they are recorded at amortised cost.

(g) Cash and cash equivalents

Cash and cash equivalents as referred to in the Abridged Balance Sheet comprises cash on hand, non-restricted current accounts with banks.

(h) Foreign currencies

Transactions denominated in foreign currencies are translated into Euro at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the exchange rate ruling at the balance sheet date. Exchange gains or losses are recognised in the profit and loss account.

(i) Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impaired.

In accordance with the accounting standards an asset must be stated at the lower of its carrying amount and its recoverable amount. The recoverable amount is deemed to be the higher of the net realisable value and the value in use of the asset. If the recoverable amount is lower than the carrying amount, the asset is deemed to be impaired.

(j) Derivatives

Derivatives are recognised on a cost basis. Income or expense arising from derivatives is accounted for on an accruals basis.

2. Creditors: Amounts falling due within 1 year

	2009 EUR'000	2008 EUR'000
Senior loan principal	99,663	142,636
Senior loan interest accrued	1,758	15,826
Junior loan interest accrued	1,268	10,168
Guarantee finance loan interest accrued	1,092	9,831
Guarantee fee accrued	38	3,494
Amounts payable under derivative contracts	683	3,818
Other creditors	1,263	3,261
	<u>105,765</u>	<u>189,034</u>

Sealink Funding Limited

Notes to the Abridged Financial Statements

For the year ended 31 December 2009

2. Creditors: Amounts falling due within 1 year (continued)

Amounts payable under derivative contracts

	2009 EUR'000	2008 EUR'000
Forward rate agreements	0	0
Swaps	683	3,818
Total Amounts payable under derivative contracts	683	3,818

	2009 EUR'000	2008 EUR'000
<u>Derivative Notional</u>		
Forward rate agreements	(483,904)	0
Swaps	6,995,662	6,343,072
Total Amounts payable under derivative contracts	6,511,758	6,343,072

3. Creditors: Amounts falling due after more than 1 year

	2009 EUR'000	2008 EUR'000
Senior loans payable	4,869,643	6,607,990
Junior loans payable	5,708,933	5,723,788
Guarantee finance loan payable	2,747,901	2,750,000
Amounts payable under derivative contracts	5,322	46,586
	13,331,799	15,128,364

Long-term obligations are repayable in greater than five years from the balance sheet date. The lenders have made available to the Company multi-currency loan facilities in the form of committed EUR, GBP and USD term loan facilities.

Senior loans were advanced in June 2008 by a pool of German Landesbanken totalling EUR 7.644 billion denominated in EUR (EUR 2.681 billion), USD (EUR 3.656 billion) and GBP (EUR 1.307 billion). The senior loans mature in June 2020.

Junior loans were advanced by Landesbank Baden-Wurttemberg totalling EUR 5.508 billion denominated in EUR (EUR 0.210 billion), USD (EUR 3.912 billion) and GBP (EUR 1.386 billion). The junior loans mature in June 2020.

A guarantee financing loan was advanced by Landesbank Baden-Wurttemberg in June 2008 of EUR 2.75 billion. The guarantee financing loan matures in June 2020.

Sealink Funding Limited

Notes to the Abridged Financial Statements

For the year ended 31 December 2009

3. Creditors: Amounts falling due after more than 1 year (continued)

The Senior and Junior loans are funded facilities attracting a rate of interest of Euribor, USD Libor or GBP Libor as applicable plus 1 basis point. For the Guarantee Financing Loan this is the flat Euribor rate.

The rights to payments of principal and interest for the various loans are governed by the Security Trust Intercreditor Deed. These amounts are paid during the monthly waterfall process. For interest payments, the guarantee financing loan takes priority over the junior loans, which in turn takes priority over the senior loans. For principal amounts the rights to payment under the guarantee financing and the junior loans are subordinated to the rights to payment under the senior loans. The guarantee financing loan would then take priority over the junior loans.

All loans held are limited recourse in nature, with the repayment of loan principal dependent entirely on the returns generated by the Company's portfolio. Therefore all losses made by the Company will ultimately be borne by the loan holders.

Under the Security Trust & Intercreditor Deed the Junior Loans may be subject to an adjustment in their outstanding principal amount, due to guarantee draws made on USD or GBP assets which will ultimately be paid in EUR in accordance with the guarantee documents. As such the outstanding principal of junior loans in EUR, USD & GBP may be rebalanced to ensure they correlate to the currency of the remaining assets in the portfolio.

Amounts payable under derivative contracts

	2009 EUR'000	2008 EUR'000
Swaps	5,322	46,586
Total Amounts payable under derivative contracts	5,322	46,586
	2009 EUR'000	2008 EUR'000
<u>Derivative Notional</u>		
Swaps	8,401,078	9,980,393
	8,401,078	9,980,393
	2009 EUR'000	2008 EUR'000
<u>Maturity Analysis</u>		
Settles within 1-2 years	432	1,908
Settles within 2-5 years	1,021	7,183
Greater than 5 years	3,869	37,495
	5,322	46,586

Sealink Funding Limited

Notes to the Abridged Financial Statements

For the year ended 31 December 2009

4. Share capital

Authorised share capital

	Number of shares	2009 EUR
Ordinary shares of €1 par value each	100	100
	<u>100</u>	<u>100</u>

Allotted, called-up and fully paid

	Number of shares	2009 EUR
Issue of ordinary shares at €1.00 per share on 25 February 2008	1	1
Balance at 31 December 2009	<u>1</u>	<u>1</u>

The share issued by the Company is held by Wilmington Trust SP Services (Channel Islands) Limited as trustee pursuant to the terms of a charitable trust established by a declaration of trust dated 12 May 2008.

5. Amounts paid to related parties

	31 December 2009 EUR'000	31 December 2008 EUR'000
Investment management fees	5,034	3,150
Directors fees	72	70
	<u>5,106</u>	<u>3,220</u>

Investment management fees are payable to Neuberger Berman Europe Limited for acting on behalf of the Company in line with the Company's investment strategy under the terms of the Management Agreement.

6. Guarantee and ancillary indemnity

The Free State of Saxony (the "Guarantor") assumed all indirect and direct risks of Landesbank Sachsen AG from Actual Payment Defaults which are resulting since 28 December 2007 out of or in connection with the structured portfolios Sachsen Funding I and Ormond Quay (including Eden Quay, Ellis Quay, Merchant Quay) and Castlevue I, II and III. The rights and duties of Landesbank Sachsen AG under the Guarantee have been transferred to Sealink Funding Limited.

Sealink Funding Limited

Notes to the Abridged Financial Statements

For the year ended 31 December 2009

6. Guarantee and ancillary indemnity (continued)

The guarantee covers 100% of all payment defaults in relation to assets (the "Guaranteed Assets") with an acquisition cost of EUR 15.808 billion at the date of the transfer (market value at 31 December 2008: EUR 14.054 billion) up to a maximum of EUR 2.75 billion.

The Guarantee Fee shall be initially 0.5 % p.a. of the available Guarantee Limit (the "Initial Fee") and shall be reduced by one third of the Initial Fee after four years duration of the Guarantee and by another one third of the Initial Fee after 7 years duration of the Guarantee. The Guarantee Fee is to be paid retrospectively at the end of each calendar quarter on a pro rata temporis basis for the time during which the Guarantee is effective.

There is an indemnity in place with Landesbank Baden-Württemberg. The indemnification obligation of Landesbank Baden-Württemberg shall be fulfilled by Landesbank Baden-Württemberg, upon request by the Guarantor, by making good any losses in relation to Guaranteed Assets in relation for which a recourse to the Guarantor has been made by the Company in accordance with the provisions of the Guarantee Documents.

Landesbank Baden-Württemberg will make good any losses up to an amount of equal to 5% of the extrapolated aggregate book values of the positions of the Guaranteed Assets taking into account any repayments and (if necessary) converted into USD (the "Maximum Amount"). This duty to make good losses will respectively be due if and when the Company makes a claim against the Guarantor in accordance with the Guarantee Documents with respect to such losses and ends when the Maximum Amount has been reached. Payments by Landesbank Baden-Württemberg to the Company on the basis of this will result in the fulfilment of the related payment obligation of the Guarantor in relation to the Company under the Guarantee Documents, but will not reduce the total amount of the Guarantee.

The Guaranteed Assets subject to the Landesbank Baden Württemberg indemnity refer solely to the assets in Sachsen Funding1. This has been drawn in full as of 30 June 2010.

7. Ultimate parent and controlling undertaking

No single entity has a controlling interest in the Company and so it is considered that the Company has no ultimate parent and controlling undertaking. The results of the Company are not consolidated in the accounts of any other entity.

8. Approval of the Abridged Financial Statements

The Board of Directors approved these abridged financial statements on 5 July 2011.

EXHIBIT I

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK - CIVIL TERM - PART: 48

-----X
STICHTING PENSIOENFONDS ABP,

Plaintiff,

-against-

ACE SECURITIES CORP., DEUTSCHE BANK AG, DEUTSCHE
ALT-A SECURITIES INC., DEUTSCHE BANK SECURITIES
INC., DB STRUCTURED PRODUCTS INC., DB HOME
LENDING LLC, DOUGLAS JOHNSON, EVELYN ECHEVARRIA,
JULIANA JOHNSON, ANILESH AHUJA, JEFFREY LEHOCKY,
JOSEPH RICE, RICHARD D'ALBERT, RICHARD FERGUSON,

Defendants.

-----X
Index No. 652460/11
ORAL ARGUMENT
and DECISION

60 Centre Street
New York, N.Y.
July 27, 2012

B E F O R E:

HONORABLE JEFFREY K. OING,
Justice

A P P E A R A N C E S:

GRANT & EISENHOFER P.A.
Attorneys for the Plaintiff
123 Justison Street
Wilmington, Delaware 19801
BY: GEOFFREY C. JARVIS, ESQ.

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
Attorneys for the Defendants
1285 Avenue of the Americas
New York, N.Y. 10019-6064
BY: MOSES SILVERMAN, ESQ.
JESSICA S. CAREY, ESQ.
and MICHAEL KLUNDER, ESQ.

ALAN F. BOWIN, CSR, RMR, CRR
Official Court Reporter

ALAN F. BOWIN, CSR, RMR, CRR

Proceedings

THE COURT: The Court has before it the matter of Stichting Pensioenfond ABP versus Ace Securities Corp., et al., index No. 652460 of 2011. This is motion sequence No. 1, which is defendants', collectively, motion to dismiss the action.

Will the parties enter their appearances for record.

For the plaintiff?

MR. JARVIS: Good morning, your Honor.

My names is Geoff Jarvis. I'm with Grant & Eisenhofer, for the plaintiff, Stichting Pensioenfonds ABP.

THE COURT: Thank you.

For defendant?

MR. SILVERMAN: Good morning, your Honor.

Moses Silverman, Paul, Weiss, Rifkind, with my partner Jessica Carey, for the defendants.

THE COURT: Okay, thank you.

Okay, this is your motion.

Please be seated.

(Counsel complied.)

THE COURT: This is your motion to dismiss, counsel. Tell me why I should dismiss this action.

There are four causes of action, so what I propose to do, so it's easier for the plaintiff, is to

1 Proceedings

2 treat each cause of action by itself, compartmentalize
3 it. So, after you explain or argue why the first cause
4 of action should be dismissed, I'll have plaintiff's
5 counsel get up and tell me why I shouldn't dismiss.
6 That would be easier.

7 MR. SILVERMAN: I'm happy to do that, your
8 Honor, although I should say that the first three
9 causes of action all really relate to the same thing,
10 which is fraud.

11 THE COURT: Right.

12 MR. JARVIS: Your Honor, may I make a
13 suggestion?

14 THE COURT: Yes.

15 MR. JARVIS: There are, sort of -- I don't
16 know -- four -- three or four -- areas where there are
17 statute of limitations; there's a false statement
18 issue, a scienter issue and others. It might make
19 sense to argue each issue.

20 Would that be okay, Mr. Silverman?

21 THE COURT: That would be okay. I have it
22 broken down that way, too. That's fine.

23 You know, before we get started, I want to
24 get, for the record: the individual defendants are
25 discontinued from this action?

26 MR. SILVERMAN: Yes. Our adversary,

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themselves.

So I think the aiding and abetting fraud has to fall at this point. Because you've discontinued the action against the individual actors, you don't have an aider and abettor.

MR. JARVIS: Your Honor, I think that there is some question as to whether a corporate parent can aid and abet. When a corporate parent itself does not speak, I would have to agree with Mr. Silverman that you can't accuse them, I think, of fraud because they didn't make the statements. But when those acting under their control did -- it's sort of like control-person liability in the federal court. But when you are sort of sitting at the top, you don't make the statements but you have this one doing this and this one doing that, we argue that you consciously participated in the fraud; it meets the requirement.

Defendants didn't raise any challenge to my aiding and abetting claim. If your Honor would like me to separately plead that claim --

THE COURT: They're moving to dismiss.

MR. SILVERMAN: We're moving to dismiss the claims as to a number of defendants, starting with Deutsche Bank AG, to which there are no specific claims of fraud, fraudulent inducement or aiding and abetting.

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And with respect to those other entities for which they have principal claims of fraud or -- which your Honor has sustained for purposes of the motion to dismiss, there is no basis for the aiding and abetting claim.

But I was really focusing on the fact that Deutsche Bank AG and some others, there is no claim against them at all in terms of what it is that they were supposed to have done.

THE COURT: Okay, let me just say for the record, the first cause of action is asserted against Deutsche Bank AG, Deutsche Bank Securities Inc., Ace Securities Corp., Deutsche ALT-A Securities Inc. and DB Structured Products Inc. Those are the defendants that the first cause of action for fraud is being asserted against.

MR. SILVERMAN: Correct.

THE COURT: And at this juncture and time, I've sustained the first cause of action as being sufficiently pleaded on for fraud purposes.

MR. SILVERMAN: I understand.

THE COURT: Okay? So now, what is the -- you know, with respect to DB Home Lending, I don't have an allegation here against them in this cause of action.

So, mistake?

MR. JARVIS: Your Honor, look, it was an

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2 oversight. I'll take the responsibility for that and
3 your Honor can dismiss them.

4 THE COURT: Right now, at this juncture, I'm
5 going to dismiss DB Home Lending Inc. [sic] because I
6 don't have an allegation against --

7 You can do what you need to do later on but
8 at this point, I'm going to grant that motion to
9 dismiss them --

10 You don't like that?

11 MR. SILVERMAN: What's that?

12 THE COURT: You don't want that?

13 MR. SILVERMAN: No, no. I'm just saying, I
14 won something. It's a look of happiness from me.

15 THE COURT: I thought you were going to say,
16 "Don't do that," but --

17 So at this juncture, that first cause of
18 action, it doesn't set forth anything against Deutsche
19 Bank Home -- DB Home Lending LLC, so the fact of the
20 matter is, they're out of the case.

21 So that motion with respect to dismissing the
22 action -- or the first cause of action -- against DB
23 Home Lending is granted and they're out.

24 Of course, that's without prejudice. You can
25 do what you need to do later on.

26 I'm sorry, Mr. Silverman; I cut you off.

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MR. SILVERMAN: Your Honor, there are specific allegations in the complaint about what some of the other defendants did. There was no specific allegation as to what Deutsche Bank AG, the parent, did. It is a German-based bank; there is no allegation that they had any involvement -- that corporate entity -- in what independent corporate subsidiaries -- and these are all indirect or direct subsidiaries of Deutsche Bank AG, but there is no connection of what it is that my friend (indicating) has alleged they did to sell or misrepresent these products.

There were no representations by Deutsche Bank AG; there was no -- there were no sales by Deutsche Bank AG. They just happen to be the parent of some U.S.-based entities which have been alleged to have engaged in fraud.

The mere fact that you are the parent of --

THE COURT: Oh, sort of the reversing the pierce -- reversing piercing the corporate veil, going off after the parent.

But these are the subs that did all the work.

MR. SILVERMAN: And they're the ones they're suing. They're independent legal entities; I think they're all American entities; and yet, they're suing the German parent without anything specific about what

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2 the German parent did.

3 THE COURT: What's your response with respect
4 to that argument?

5 MR. JARVIS: I haven't briefed this because
6 it wasn't really raised in the papers, but the argument
7 we have is that under the aiding and abetting claim,
8 that the various separate corporations can, in fact,
9 aid and abet one another.

10 And, in fact, if your Honor --

11 THE COURT: Yeah, you're absolutely right
12 about that; I'm not saying that's not the situation in
13 terms of aiding and abetting. But when you look at
14 your aiding and abetting cause of action --

15 I'm looking here (indicating) and it says
16 that the individual defendants, collectively, the
17 aiding and abetting defendant --

18 You're saying that the individual defendants,
19 because you can't say that Deutsche Bank AG, Deutsche
20 Bank Securities Inc., Ace Securities Corp., Deutsche
21 ALT-A Securities Inc. and DB Structured Products Inc.
22 and the individual defendants -- you can't say that
23 they're all aiding and abetting defendants, because if
24 that is actually true, who are they aiding and
25 abetting? Because in the next sentence, you name the
26 same defendants as being -- the aiders and abettors as

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2 being the principal actors. And how can you be a
3 principal actor and an aider and abettor at the same
4 time? It's sort of --

5 MR. JARVIS: It is inartfully --

6 THE COURT: The picture is awfully ugly in
7 that sense.

8 MR. JARVIS: It was a little inartfully pled,
9 your Honor; I won't argue with you there.

10 THE COURT: Right, so --

11 MR. JARVIS: But I think the theory is that
12 those who did not make statements, as Mr. Silverman has
13 pointed out, were aided and abetted -- aided and
14 abetted who did make the statements.

15 THE COURT: All right.

16 MR. JARVIS: And the thought is, that's what
17 you get aiding and abetting for. For fraud, you have
18 to have spoke it.

19 THE COURT: You know, I got to tell you, this
20 third cause of action was very troubling because I
21 looked at it in terms of the allegations here and it
22 wasn't as clear as all the other things I talked about,
23 particularly in view of the fact that we have a
24 discontinued action against the individual defendants,
25 which really complicates the matter a little bit in
26 that sense. So, you know --

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2 MR. JARVIS: Can I make a suggestion, your
3 Honor?

4 THE COURT: What's your suggestion?

5 MR. JARVIS: That you allow us to replead,
6 simply, three and he could brief three, other than on
7 the grounds of those you decided.

8 THE COURT: What I'm going to do is, I'm
9 going to dismiss the third cause of action, for aiding
10 and abetting fraud, without prejudice and you can do
11 what you want with that later on. I mean, I'm not here
12 to tell you what.

13 MR. JARVIS: Fair enough, your Honor.

14 THE COURT: I'm going to grant the motion and
15 that third cause of action is dismissed.

16 MR. SILVERMAN: Thank you, your Honor.

17 THE COURT: Turning --
18 Hold your thought.

19 MR. SILVERMAN: Yes.

20 THE COURT: And turning back to the defendant
21 Deutsche Bank AG, you know, I understand what you're
22 saying here about the parent being -- but, you know, I
23 don't see in these allegations, anywhere, exactly what
24 Deutsche Bank AG did.

25 It's the parent; we know that. But you know
26 what? Before we hook into the parents, I need some

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2 allegations here. And I think Mr. Silverman is
3 absolutely right that there is nothing here that really
4 would require me to say, "You know what? Deutsche Bank
5 AG just gave the agreement on everything, that they
6 passed" -- I tend to think that that's not accurate --
7 not being accurate, but that's not even alleged here.

8 Unless I missed something and you can point
9 that out to me, Mr. Jarvis.

10 MR. JARVIS: We do not allege false
11 statements directly by DBAG.

12 THE COURT: Okay.

13 MR. JARVIS: The intent was to get them under
14 aiding and abetting. We'll have to work that out.

15 THE COURT: So the motion to dismiss
16 defendant Deutsche Bank AG from this action is granted.

17 Again, we're at the pleading stage; you do
18 what you think is next, but I'm going to grant that
19 branch of the motion to dismiss the defendant Deutsche
20 Bank AG and they're out of this case, for now, as they
21 say.

22 MR. SILVERMAN: So, your Honor --

23 So we've dismissed DBAG and DB Home --

24 THE COURT: Right.

25 MR. SILVERMAN: Okay. And also --

26 THE COURT: From the action.

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2 MR. SILVERMAN: -- without prejudice.

3 THE COURT: Without prejudice.

4 And with respect to the third cause of
5 action, that entire cause of action is also dismissed.

6 MR. SILVERMAN: Without prejudice.

7 THE COURT: Without prejudice.

8 Okay?

9 MR. SILVERMAN: Understood. Okay.

10 And I believe, also, DB Structured Products
11 is a defendant that they concede that they have not
12 made a specific allegation against.

13 THE COURT: Is that accurate, Mr. Jarvis?

14 MR. JARVIS: I'm not sure about that. I
15 don't --

16 Mr. Silverman, in his briefing, has
17 represented that we do not have a specific statement
18 linked to DB Structured Products. I'm not sure that
19 that's true, but I've got to believe Mr. Silverman and
20 his people are right. I'm not going to --

21 THE COURT: Well, you wrote the complaint;
22 you would know.

23 MR. JARVIS: I didn't write it personally.

24 MR. SILVERMAN: You know how many complaints
25 this guy has written?

26 MR. JARVIS: I mean, your Honor, you can

EXHIBIT J

Bloomberg

Ally's ResCap Files Bankruptcy, Plans Sale to Fortress

By Steven Church, Phil Milford and Dakin Campbell - May 14, 2012

Residential Capital LLC, the unprofitable mortgage company whose parent [Ally Financial Inc. \(ALLY\)](#) is trying to repay a U.S. government bailout, filed for bankruptcy and plans to sell most of its assets to [Fortress Investment Group LLC. \(FIG\)](#)

ResCap listed assets of \$15.7 billion and debt of \$15.3 billion in a petition filed today in U.S. Bankruptcy Court in [Manhattan](#). ResCap's Chapter 11 filing is the biggest so far this year, based on liabilities, according to data compiled by Bloomberg.

"The action by ResCap will enable Ally to achieve a permanent solution to its legacy mortgage risks and put these issues behind us," Ally Chief Executive Officer Michael A. Carpenter said today in a statement. Ally said it also may sell its international auto-finance and insurance operations to help repay a \$17.2 billion U.S. bailout.

Ally, a Detroit-based bank that specializes in [car loans](#), is 74 percent-owned by the [U.S. Treasury](#) after receiving the bailout. In 2010, the Treasury failed to find a buyer for ResCap, which originates and services residential mortgages. Carpenter had said an initial public offering for Ally wouldn't happen without progress on a resolution for ResCap.

Fortress Sale

ResCap's board voted to declare bankruptcy and arrange a sale to Fortress and Nationstar Mortgage Holdings Inc. for about \$2.3 billion, ResCap Chairman and CEO Thomas Marano, 50, said in an interview. Nationstar, which is majority-owned by Fortress, will buy a portfolio of servicing assets, as well as a mortgage-origination unit, and business will continue uninterrupted, he said. Mortgage servicers handle billing, collection and foreclosures.

While in bankruptcy, ResCap will continue to originate new home loans and service its existing 2.4 million consumer mortgages, the company said. ResCap said it will try to exit bankruptcy by the fourth quarter.

Ally agreed to pay \$750 million to ResCap to settle any claims against the parent company, purchase as much as \$1.6 billion of securities if others don't, and provide \$150 million to help finance ResCap's operations during bankruptcy, according to a statement. [Barclays Plc \(BARC\)](#) will provide \$1.45 billion in financing to ResCap while the company is under court protection, Marano said.

Deutsche Bank Trust Co. Americas is listed as the top unsecured creditor, representing investors who hold six series of notes issued in dollars, pounds and euros. The total value of the claims is about \$956.3 million, based on the May 11 exchange rate, ResCap said in its bankruptcy petition.

Securities Litigation

The next 32 biggest claims were all related to active or potential securities litigation. ResCap didn't give a value for the claims and said it disputes all of them.

In the weeks leading up to the filing, ResCap negotiated with [bondholders](#) in an effort to create a so-called prepackaged bankruptcy. When a majority of creditors who hold about two-thirds of the amount of a company's debt vote to support a reorganization plan, the bankruptcy is considered prepackaged and can win court approval quicker than normal.

ResCap's plan has support from 37 percent of junior secured creditors, according to court papers, below the threshold needed for a prepackaged bankruptcy. Under the U.S. [Bankruptcy Code](#), creditors holding more than one-third of any single class of ResCap's debt can block the company's reorganization proposal by voting against it.

Missed Payment

ResCap missed a \$20 million, semi-annual interest payment April 17 on about \$473 million in 6.5 percent notes due in 2013, Ally said in a regulatory filing. The firm had 30 days before a default, according to the filing. Deutsche Bank is the trustee for the notes, according to court papers.

Carpenter 65, and Ally's board had resisted the U.S. Treasury's call to break up and sell ResCap, people familiar with the matter said in March. Elliott Management Corp., which owns 2.3 percent of Ally, also pressed for a sale, saying in a letter to the board that a ResCap bankruptcy filing would lead to "radical value destruction."

Bankruptcy would last 12 to 18 months and trigger billions of dollars in so-called put-back claims, where holders of mortgage-backed securities issued by ResCap try to force the company to buy back soured loans backing the bonds, Elliott said in the letter.

[Morrison & Foerster LLP](#) is the [law firm](#) handling the bankruptcy case. Centerview Partners LLC and [FTI Consulting Inc. \(FCN\)](#) are ResCap's financial advisers.

'Stronger Position'

The bankruptcy puts taxpayers "in a stronger position to continue recovering their investment in Ally," U.S. Treasury Department Assistant Secretary Timothy Massad said in a statement after the filing. ResCap "has continued to struggle with losses from its old loans," while Ally also has a profitable auto-financing business and a growing retail banking arm, he said.

ResCap has a preliminary agreement with a bondholder group represented by White & Case LLP and is negotiating with other claimants, said Marano, who also has served as CEO of Ally's mortgage division. Between \$1 billion and \$1.2 billion in government-insured loans will be left in the ResCap estate as part of the reorganization, he said.

The bankruptcy plan received conditional approval from the Treasury, an Obama administration official said in early May. The U.S. concluded that addressing ResCap's mortgage losses would put taxpayers in a better position to recoup their investment in Ally, according to the official.

Dwindling Assets

Assets at ResCap, once one of the largest subprime mortgage originators, dwindled to \$15.7 billion at the end of the first quarter from more than \$130 billion in 2006. ResCap was involved in 22 securities lawsuits, Carpenter said in November.

That month, ResCap hired Centerview to identify concessions that would be needed from lenders to put the company on a firmer financial footing before Ally pursues an IPO, people familiar with the matter said at the time.

Ally had decided in June to postpone its planned share sale, which was intended to raise as much as \$7 billion and shrink the government's stake.

The case is In re Residential Capital LLC, 12-12020, [U.S. Bankruptcy Court](#), Southern District of [New York](#) (Manhattan).

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CERTIFICATE OF SERVICE BY HAND

I, Peter Hartofilis, hereby certify under the penalty of perjury that on
January 30, 2013, I served a true and correct copy of the attached:

**- DEFENDANTS' MEMORANDUM OF LAW IN OPPOSITION TO PLAINTIFF'S
MOTION TO REMAND THIS ACTION TO NEW YORK STATE COURT**

- DECLARATION OF DAVID J. WOLL (with Exhibits A-J)

By-Hand upon:

David Wales
Bernstein Litowitz Berger & Grossmann LLP
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New York, New York 10019

US Trustee for the Southern District of NY
Tracy Hope Davis, Linda A. Riffkin and Brian S. Masumoto
33 Whitehall Street 21st Floor, Region 2
New York, New York 10004

By delivering true and correct copies of the above aforementioned documents to a person of
suitable age and discretion at the above aforementioned addresses.

Dated: New York, NY
January 30, 2013.

A handwritten signature in black ink, appearing to read 'Peter Hartofilis', with a long horizontal flourish extending to the right.

Peter Hartofilis

CERTIFICATE OF SERVICE

I, Peter Hartofilis, hereby certify under the penalty of perjury that on
January 30, 2013, I personally served a true and correct copy of the attached:

**- DEFENDANTS' MEMORANDUM OF LAW IN OPPOSITION TO
PLAINTIFF'S MOTION TO REMAND THIS ACTION TO NEW YORK STATE
COURT**


- DECLARATION OF DAVID J. WOLL (with Exhibits A-J)

By First Class Mail upon:

(SEE ATTACHED SERVICE LIST)

By depositing a true copy of the same in a properly addressed, postpaid wrapper in a regularly
maintained official depository of the United States Post Office located in the City, County and
State of New York.

Dated: New York, New York
January 30, 2013

A handwritten signature in black ink, appearing to read 'Peter Hartofilis', written over a horizontal line.

Peter Hartofilis

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