



Plaintiff Royal Park Investments SA/NV (“plaintiff” or “RPI”) alleges the following on information and belief based upon the investigation of plaintiff’s counsel (except as to the allegations pertaining to plaintiff, which are based on personal knowledge), which included an investigation and review of information concerning defendant Wells Fargo Bank, N.A. (“Wells Fargo” or “defendant”), a review and analysis of information concerning the Covered Trusts (as defined below) and the documents governing Wells Fargo’s duties and rights (“Governing Agreements”) at issue herein. Plaintiff and plaintiff’s counsel believe that additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

### SUMMARY OF THE ACTION

1. Plaintiff brings this action on its own behalf and on behalf of a class of residential mortgage-backed securities (“RMBS”) investors in the following two substantially similar RMBS trusts for which defendant Wells Fargo serves as trustee (collectively, the “Covered Trusts”):

Covered Trust Name	Hereinafter Referred to As
1. Asset Backed Funding Corporation Trust 2006-OPT1	ABFC 2006-OPT1
2. Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1	SASC 2007-BC1

2. This dispute arises from another litigation in this District between RPI and Wells Fargo, *Royal Park Investments SA/NV v. Wells Fargo Bank, N.A.*, No. 1:14-cv-09764-KPF-SN (S.D.N.Y.) (the “Litigation”), pending before the Honorable Katherine P. Failla.<sup>1</sup> In the Litigation, Wells Fargo has been reimbursing its legal fees and costs incurred in its defense directly from the Covered Trusts. As a result, Wells Fargo’s legal expenses related to defending itself in the Litigation against allegations that it breached its contractual and common law duties owed to

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<sup>1</sup> The Litigation is part of a coordinated action referred to as *Coordinated RMBS Trustee Actions Against Wells Fargo Bank, N.A.*, Nos. 14-cv-09371, 14-cv-09764, 14-cv-10067, 14-cv-10102, 15-cv-10033 (S.D.N.Y.).

investors are currently being paid by funds out of the Covered Trusts' assets that belong to the investors in those trusts.

3. Under both the Governing Agreements and the common law of trusts, Wells Fargo is not permitted to receive advancement, reimbursement, or indemnification for the legal fees and costs it incurs in relation to the Litigation. Rather, Wells Fargo is improperly and illegally financing its defense of the Litigation with funds from the very investors that have accused Wells Fargo of wrongdoing. Thus, the investors are being harmed by Wells Fargo twice – first through Wells Fargo's misconduct as alleged in the Litigation, and second through Wells Fargo's improper and illegal use of those same damaged investors' funds to defend itself for its misconduct.

4. Because Wells Fargo is improperly and illegally using Covered Trust funds to defend itself in the Litigation, Wells Fargo must pay back to plaintiff and the class immediately all funds it has wrongfully taken. In addition, plaintiff and the class request that Wells Fargo be enjoined from improperly taking such funds.

#### **JURISDICTION AND VENUE**

5. This Court has diversity jurisdiction pursuant to 28 U.S.C. §1332(a). The amount at controversy is significantly higher than \$75,000.

6. Venue is proper in this District pursuant to 28 U.S.C. §1391(b). Indeed, in the Pooling and Servicing Agreement ("PSA") for ABFC 2006-OPT1, Wells Fargo specifically consented to litigating claims in this District. *See Ex. A, ABFC 2006-OPT1 PSA §11.04.*

#### **PARTIES**

7. Plaintiff RPI is a limited liability company incorporated under the laws of Belgium, with its principal place of business in Brussels, Belgium. RPI acquired RMBS in each of the

Covered Trusts on or about the dates indicated below, and has continuously held such RMBS since then:

<b>Covered Trusts</b>	<b>Tranche/Class</b>	<b>Initial Face Amount of Certificate</b>	<b>Date Acquired</b>
ABFC 2006-OPT1	M4	\$5,000,000	February 12, 2010
SASC 2007-BC1	M6	\$1,136,000	February 12, 2010

8. Defendant Wells Fargo is a national association with its main office in South Dakota and its principal place of business in California. Wells Fargo provides RMBS trustee services, and it serves as trustee for hundreds of RMBS trusts formed under the law of the State of New York, including the Covered Trusts. Wells Fargo has served as the trustee for the Covered Trusts since they were formed in 2006 and 2007.

#### **FACTUAL ALLEGATIONS**

9. RPI is the plaintiff in the Litigation currently proceeding against Wells Fargo. In that case, RPI alleges that Wells Fargo failed to fulfill its duties as trustee of the Covered Trusts and thereby damaged RPI and the class of RMBS certificateholders. The operative complaint in the Litigation (the “Complaint”) is found at Dkt. No. 24 of the Litigation and incorporated by reference herein.<sup>2</sup>

10. In the Complaint, RPI alleges breach of contract and breach of trust causes of action against Wells Fargo. RPI alleges that, although required by the Governing Agreements and its duty as trustee, Wells Fargo willfully ignored and failed to effectuate the repurchase of mortgage loans in the Covered Trusts that had breached the representations and warranties from the originators, warrantors and/or sellers (“Warrantors”), despite receiving extensive notification of and possessing actual knowledge of specific breaches, and possessing knowledge from numerous sources of

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<sup>2</sup> All paragraph references (“¶\_\_” or “¶¶\_\_”) are to the Complaint filed in the Litigation.

pervasive substandard underwriting and outright fraud in the origination of those loans. Wells Fargo took virtually no action to protect the investors because its primary concern was preserving its lucrative business interests with the deal parties responsible for making the repurchases.

11. In addition, RPI alleges Wells Fargo discovered and knew of loan servicer events of default (“Events of Default”) committed by the loan Servicers or Master Servicers (collectively “Servicers”) under the Governing Agreements, but failed to give notice and cure those Events of Default. Wells Fargo also willfully failed to discharge its fiduciary duty to protect the interests of the certificateholders following the Events of Default, once again, electing to place its conflicted financial self-interest ahead of the interests of certificateholders.

12. The Complaint expressly and repeatedly alleges that Wells Fargo acted negligently and engaged in willful misconduct. *See* ¶¶113, 144, 146, 148, 150, 152, 160, 170, 172.

13. For example, the Complaint references lawsuits regarding specific loans in the specific Covered Trusts that informed Wells Fargo that there were numerous defective mortgage loans in the Covered Trusts that breached the Warrantors’ representations and warranties. ¶95. Moreover, Wells Fargo had granular visibility into the breaches of representations and warranties, such as misstated income or debt ratios, learned through the bankruptcies of the mortgage loan borrowers and through the due diligence of its own affiliates. ¶¶98-103.

14. Wells Fargo discovered rampant failures by the Servicers to service the loans in conformance with the customary and usual standards of loan servicing practice, which constituted numerous Events of Default under the Governing Agreements. For example, in July 2011, a New Hampshire court stayed the foreclosure of a Mortgage Loan in the ABFC 2006-OPT1 Covered Trust because of dubious and obviously fraudulent assignment documents that were submitted by Wells Fargo and/or Covered Trust Servicer AHM Servicing. ¶114. In addition, the Servicers botched

numerous foreclosure actions due to gross errors, blatant misrepresentations or criminal conduct. Courts noted that Wells Fargo was even acquiescing in or actively participating in this misconduct; yet Wells Fargo did not take action to protect the certificateholders as it was required to do under the prudent-person standard, a duty of care akin to that of a fiduciary. ¶115.

15. In defending itself against the Litigation, Wells Fargo has and continues to spend an enormous amount on legal expenses, which has been paid from the assets of the Covered Trusts – the investors’ money. As of the filing of this complaint, it has filed an unsuccessful motion to dismiss the Litigation Complaint, commissioned three separate expert reports in support of its class certification opposition, engaged in a “scorched earth” defense strategy that included the filing of a rare and unwarranted *Daubert* motion at the class certification stage, and engaged in other unmeritorious discovery practice. It has undertaken wholly irrelevant and wasteful discovery, including harassing plaintiff with 89 individual requests for production, many of which are irrelevant or duplicative, serving approximately 12 non-party subpoenas, and taking irrelevant or duplicative depositions, again using the investors’ money.

16. Wells Fargo and its counsel have consistently incurred unreasonable expenses in defending itself in the Litigation by using scorched earth tactics. For example, the court struck Wells Fargo’s motion to compel compliance with document and deposition subpoenas it issued to non-party Amherst Advisory & Management LLC, holding that the discovery sought was irrelevant and that the subpoenas were “unduly broad, vague, and burdensome.” Dkt. No. 265.<sup>3</sup> Furthermore, it has insisted on taking depositions of witnesses with little or no knowledge of information relevant to the Litigation. Wells Fargo has also conducted inappropriately oppressive discovery, such that the

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<sup>3</sup> Docket numbers are to the Litigation unless otherwise indicated.

court granted RPI's motion to quash its Rule 30 deposition notices of two former employees and one of its two notices of deposition of current Board of Director members. Dkt. No. 235.

17. Despite the excessive legal expenses racked up in the Litigation, Wells Fargo has not paid or advanced *any* of its own legal costs and attorney fees, nor has it sought to control its litigation expenses. One might wonder why a litigant would engage in such excessive, expensive and unnecessary litigation tactics. During the course of discovery in the Litigation, the reason became clear – in early 2017, RPI became aware that Wells Fargo may have been billing the costs of defending the Litigation. On June 2, 2017, RPI, through coordinated plaintiff BlackRock, moved to compel Wells Fargo to “produce documents concerning any efforts to bill the Trusts for legal costs and expenses incurred by Wells Fargo.” *BlackRock Allocation Target Shares: Series S Portfolio v. Wells Fargo Bank, N.A.*, No. 1:14-cv-09371-KPF-SN (“*BlackRock*”), Dkt. No. 467 at 4-5 (S.D.N.Y. June 2, 2017). Rather than condemning the practice, Wells Fargo has instead defended a trustee's ability to recoup such extraordinary expenses. *BlackRock*, Dkt. No. 463 at 3-4 & n.2 (S.D.N.Y. May 30, 2017). As a result, the Covered Trusts, and by way of the beneficial ownership structure of the RMBS in the Covered Trusts, RPI and the class have been improperly and illegally paying for Wells Fargo's defense in the Litigation, even though Wells Fargo's negligence, willful conduct and bad faith as alleged (and being proven through discovery) in failing to perform its mandated duties for investors is the cause of the Litigation. Perversely, the investors were damaged by Wells Fargo's wrongdoing in the Litigation and now Wells Fargo is defending such wrongdoing with the funds of the investors it wronged.

18. Because the certificateholders are the sole beneficiaries of the Covered Trusts, Wells Fargo's improper use of the Covered Trusts' funds reduces the amount of money that the certificateholders are entitled to receive as part of their beneficial ownership of the certificates.

Certificateholders have a beneficial interest in the interest and principal payments derived from the mortgage loans that serve as the corpus for each Covered Trust. However, before the certificateholders receive their monthly remittances, the trustee (and certain other deal parties) to the Governing Agreements may withdraw funds from the Covered Trusts' assets to pay for their costs administering the trust or servicing the loans.

19. While the certificateholders are not parties to the Governing Agreements, the Governing Agreements require Wells Fargo to administer the Covered Trusts for the sole benefit of the certificateholders. *See* Ex. A, ABFC 2006-OPT1 PSA §2.02; Ex. B, SASC 2007-BC1 Trust Agreement (“TA”) §2.01(a). Thus, as the only intended beneficiaries of the Covered Trusts, they are directly damaged whenever assets or funds are wrongly siphoned from the Covered Trusts' assets. Accordingly, it is the certificateholders themselves that are funding the defense of their adversary, Wells Fargo, the party that wronged them, in the Litigation.

### **The Governing Agreements**

20. The obligations, duties and rights of Wells Fargo as trustee for the Covered Trusts are expressly delineated in the Covered Trusts' Governing Agreements, known as “Pooling and Servicing Agreements” (“PSAs”) or “Trust Agreements” (“TAs”) and documents related thereto. The Governing Agreements for both Covered Trusts are attached hereto as Exhibits A and B respectively.

21. Each Governing Agreement is governed by New York state law. *See* Ex. A, ABFC 2006-OPT1 PSA §11.04; Ex. B, SASC 2007-BC1 TA §11.06.

22. The purpose of having trustees, such as Wells Fargo, for the Covered Trusts is to ensure that there is at least one independent party to the Governing Agreements that – unlike plaintiff and the class – does not face collective action, informational or other limitations, thereby



allowing and requiring the trustee to protect the interests of plaintiff and the class, and administer the Covered Trusts for their benefit.

23. The corpus of the Covered Trusts, or the “Trust Fund,” contains all the assets of the trust, including the mortgage loans and the mortgage loan interest and principal payments prior to remittance to the certificateholders. Prior to remittance, parties to the Governing Agreements, such as the trustee or the servicer, can take specific permitted withdrawals from the Trust Fund prior to the funds being sent to certificateholders. These permitted withdrawals are outlined in the Governing Agreements. One such permitted withdrawal is the trustee fee Wells Fargo is paid for its services as trustee. Wells Fargo can also incur extraordinary expenses for certain activities it undertakes for the benefit of the Covered Trusts that fall outside of the regular duties contemplated by the Governing Agreements. Examples of expenses that Wells Fargo bills as extraordinary expenses are the costs incurred as a result of steps taken to protect the certificateholders’ interests. The Governing Agreements do not give Wells Fargo unfettered discretion to use trust assets *carte blanche* for any purpose it sees fit.

24. While the PSAs contain a number of provisions governing the indemnification of legal fees and costs related to the discharge of Wells Fargo’s mandated duties under the Governing Agreements, there are some significant restrictions of Wells Fargo’s ability to use Covered Trust funds. Absent from these provisions is any unequivocal language explicitly indemnifying lawsuits between indemnitor and indemnitee, parties to the Governing Agreements or beneficiaries themselves to be enforced under New York contract law, as required to be applied by the PSAs. For purposes of the Litigation, the certificateholders suing the trustee operate functionally similar to a first-party lawsuit as it pertains to indemnification provisions. Accordingly, in the Litigation, the purported indemnitor is suing the indemnitee and indemnification is prohibited by New York law.

25. Most relevant to the Litigation and this action is §8.05 of the ABFC 2006-OPT1 PSA, which prohibits trustee Wells Fargo from using funds from the Covered Trusts whenever Wells Fargo's conduct "may arise from its negligence or bad faith." Ex. A, ABFC 2006-OPT1 PSA §8.05. In the TA for SASC 2007-BC1, the analogous provision is §6.12 (prohibiting reimbursement of fees and expenses for conduct "aris[ing] from its negligence, bad faith or willful misconduct"). Ex. B, SASC 2007-BC1 TA §6.12.

26. Notwithstanding the fact that the Governing Agreements expressly and explicitly prohibit Wells Fargo from using the plaintiff investors' trust assets whenever Wells Fargo engages in negligence or bad faith, as is alleged and being confirmed through discovery in the Litigation, Wells Fargo has incredibly and in violation of the Governing Agreements used investors' trust assets to finance its defense against those investors in the Litigation. In short, Wells Fargo is improperly and illegally using the very investors' money it has previously abused – by intentionally and in bad faith failing to discharge its duties under the Governing Agreements as set forth in the Litigation – to now damage those investors a second time by using investors' funds to defend itself against its own willful misconduct, bad faith and negligence inflicted upon the same investors. Wells Fargo's actions are improper, inequitable and in violation of the Governing Agreements.

27. In the Litigation, RPI alleged that "Wells Fargo's failures to act, and its breaches and violations alleged herein, were *grossly negligent and willful misconduct*." ¶144; *see also* ¶¶146, 148, 150, 152, 160, 170, 172. Indeed, the Governing Agreements provide that "[n]o provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct." *See, e.g.*, Ex. B, SASC 2007-BC1 TA §6.01(c).

28. In addition, under New York law, it is well settled that parties are responsible for their own legal fees and expenses. Therefore, where, as in the Litigation, the dispute is between or among parties to an agreement, indemnification for legal fees and expenses is not prohibited unless expressly stated in the contract. The Governing Agreements do not authorize indemnification for legal expenses or costs in internecine disputes between the parties to the Governing Agreements, including the Litigation.

29. Wells Fargo has asserted that the Governing Agreements entitle it to indemnification, as a general matter, from certificateholders. However, where Wells Fargo is taking Covered Trust funds to defend itself against allegations that it willfully, negligently and/or in bad faith failed to perform the duties mandated by the Governing Agreements, the Governing Agreements expressly forbid Wells Fargo's financing of its defense with Covered Trust funds. *See, e.g.*, Ex. A, ABFC 2006-OPT1 PSA §8.05.

30. Moreover, the Governing Agreements do not contain provisions providing for an advancement of Wells Fargo's legal fees and costs. Wells Fargo may only receive indemnification and subsequent reimbursement of those fees and costs which are permitted, and only if it can establish that the fees and costs are expressly permitted – which here, they are not. *See* Ex. A, ABFC 2006-OPT1 PSA §8.05.

31. Given that the Governing Agreements: (a) do not allow Wells Fargo to seek advancement or indemnification from the Covered Trusts for legal expenses incurred due to the conduct alleged in the Litigation; (b) prohibit indemnification for expenses incurred as a result of its bad faith and negligent or willful misconduct; and (c) limit indemnification to only reasonable expenses, the Governing Agreements do not permit advancement or indemnification for any or all of the legal fees and costs incurred in relation to the Litigation.

32. Furthermore, because the Governing Agreements do not provide for its indemnification in these circumstances, under trust law, Wells Fargo is not permitted to seek indemnification for expenses not incurred for the benefit of the Covered Trusts. As the benefit provided by the legal fees and costs incurred in the Litigation only benefits Wells Fargo, none of its expenses can be billed to the Covered Trusts.

33. Just as Wells Fargo's indemnification for any costs associated with the Litigation is improper, so would its costs in defending this action be improper. This action is another lawsuit for which the Governing Agreements do not unequivocally provide for indemnification of Wells Fargo's costs or expenses, and Wells Fargo will thus be willfully or negligently billing the Covered Trusts for the costs of defending its conduct. Just as in the Litigation, this lawsuit arises from Wells Fargo's willful misconduct, bad faith or negligence in the performance of duties under the Governing Agreements. Therefore, any indemnification that Wells Fargo seeks from the Covered Trusts for defending this action is unlawful and should be paid back to the Covered Trusts.

#### **CLASS ACTION ALLEGATIONS**

34. Plaintiff brings this action as a class action on behalf of a class consisting of all current and former investors who held RMBS certificates in the Covered Trusts during the time when Wells Fargo improperly paid for its legal fees and costs in the Litigation from the Covered Trusts' assets and were damaged as a result (the "class"). Excluded from the class are Wells Fargo, the loan originators, the Warrantors, the Master Servicers and the Servicers of the Covered Trusts, and their officers and directors, their legal representatives, successors or assigns, and any entity in which they have or had a controlling interest.

35. The members of the class are so numerous that joinder of all members is impracticable. While the exact number of class members is unknown to plaintiff at this time and can

only be ascertained though appropriate discovery, plaintiff believes that there are at least hundreds of members of the proposed class. Record owners and other members of the class may be identified from records maintained by Wells Fargo, Depository Trust Company or others, and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

36. Plaintiff's claims are typical of the claims of the members of the class, as they all acquired RMBS certificates in the Covered Trusts and held the RMBS certificates during the time when Wells Fargo began impermissibly billing the Covered Trusts for its Litigation fees and costs; Wells Fargo's alleged misconduct was substantially the same with respect to all class members; and all class members suffered similar harm as a result. Thus, all members of the class are similarly affected by Wells Fargo's contractual breaches and common law violations that are alleged herein.

37. Plaintiff will fairly and adequately protect the interests of the members of the class and has retained counsel competent and experienced in class action and RMBS litigation.

38. Wells Fargo has acted in a manner that applies generally to the class because each class member is impacted through any improper charge to the Covered Trusts' assets. Accordingly, declaratory or injunctive relief will apply to the class as a whole.

39. Common questions of law and fact exist as to all members of the class and predominate over any questions solely affecting individual members of the class. Among the questions of law and fact common to the class are:

(a) whether Wells Fargo is contractually permitted under the Governing Agreements to receive indemnification of any of its legal fees and costs from the Covered Trusts incurred in relation to the Litigation;

(b) whether Wells Fargo must seek indemnification from the Warrantors and/or Servicers for legal fees and costs incurred in relation to the Litigation;

(c) whether Wells Fargo is permitted to obtain indemnification of legal fees and costs incurred in relation to the Litigation because of willful misconduct, bad faith or negligence in the performance of any of its duties;

(d) whether Wells Fargo's legal fees and costs incurred in relation to the Litigation were unreasonable;

(e) whether Wells Fargo, as trustee, was permitted to bill the Covered Trusts for the Litigation expenses as a principle of trust law;

(f) whether Wells Fargo's conduct in obtaining its legal fees and costs out of the Covered Trusts' assets is tortious or inequitable; and

(g) whether Wells Fargo is entitled to the advancement of its legal fees and costs incurred in relation to the Litigation.

40. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all class members is impracticable. There will be no difficulty in the management of this action as a class action.

## COUNT I

### **Breach of Contract**

41. Plaintiff repeats and realleges each and every allegation set forth in the preceding paragraphs as if fully set forth herein.

42. As set forth in detail above, the Governing Agreements are contracts setting forth the duties Wells Fargo owed to plaintiff, the class and the Covered Trusts, along with the conditions and limitations governing its rights to indemnification or use of Covered Trust funds. Wells Fargo took

actions not permitted by the Governing Agreements or by New York law, including, without limitation:

(a) using Covered Trust funds for legal fees and costs Wells Fargo incurred in defending the Litigation because the Governing Agreements and New York law do not permit indemnification of first-party claims or those between indemnitor and indemnitee;

(b) using Covered Trust funds for legal fees and costs incurred in defending against allegations of negligence, bad faith and willful misconduct in the Litigation because the Governing Agreements and New York law prohibit the use of Covered Trust funds for such purposes;

(c) using Covered Trust funds for unreasonable legal fees and costs incurred in defending itself in the Litigation; and

(d) obtaining advancement of its legal fees and costs from the Covered Trusts incurred in relation to the Litigation.

43. As alleged herein, Wells Fargo took actions not permitted by the Governing Agreements and therefore breached the Governing Agreements. Wells Fargo's contractual breaches deprived plaintiff, the class and the Covered Trusts of the consideration they bargained for, *i.e.*, they did not obtain RMBS certificates with a trustee that complied with its obligations under the Governing Agreements and could be relied on to properly bill its legal expenses. These breaches of the Governing Agreements by Wells Fargo caused plaintiff, the class and the Covered Trusts to suffer damages caused by the improperly billed legal expenses.

44. Plaintiff and the class did not receive the benefit of their bargain under the Governing Agreements when Wells Fargo took actions that resulted in the payment of legal fees and costs from

the Covered Trusts incurred in defending against allegations of bad faith and willful or negligent misconduct.

45. Furthermore, plaintiff and the class did not receive the benefit of their bargain under the Governing Agreements when Wells Fargo took actions that resulted in it receiving an advancement of legal fees and costs from the Covered Trusts incurred in relation to the Litigation.

46. Finally, plaintiff and the class did not receive the benefit of their bargain under the Governing Agreements when Wells Fargo billed unreasonable legal fees and costs to the Covered Trusts.

47. As a result of Wells Fargo's multiple breaches of the Governing Agreements alleged herein, Wells Fargo is liable to plaintiff, the class and the Covered Trusts for the damages they suffered as a direct result of Wells Fargo's actions alleged herein in contravention of the Governing Agreements.

48. In addition, Wells Fargo has engaged in multiple, new and additional breaches of the Governing Agreements by continuing to take further actions as alleged herein, in both the Litigation and this action, and will cause plaintiff, the class and the Covered Trusts to suffer additional damages.

## **COUNT II**

### **Unjust Enrichment**

49. Plaintiff repeats and realleges each and every allegation set forth in the preceding paragraphs as if fully set forth herein.

50. Wells Fargo has received a specific benefit from its use of the Covered Trust funds for legal fees and costs at the expense of plaintiff and the class.



51. As trustee, Wells Fargo had a fiduciary relationship to plaintiff, the class and the Covered Trusts, and Wells Fargo was aware of that relationship.

52. In light of the egregious use of Covered Trust funds to finance the defense of the Litigation, restitution is necessary because equity and good conscience cannot permit Wells Fargo to retain the legal fees and costs.

### **COUNT III**

#### **Conversion**

53. Plaintiff repeats and realleges each and every allegation set forth in the preceding paragraphs as if fully set forth herein.

54. As described above, Wells Fargo's administration of the Covered Trusts and the funds therein must only be for the benefit of the certificateholders unless provided for by the Governing Agreements.

55. By using Covered Trust funds for unlawful and unreasonable legal fees and costs, Wells Fargo has wrongfully converted Covered Trust funds belonging to plaintiff and the class.

56. As a direct and proximate result of Wells Fargo's wrongful taking and interference of Trust Funds, plaintiff and the class have sustained damages and losses equal to the specific and identifiable amount of legal fees and costs misappropriated by Wells Fargo.

57. At no point did plaintiff or class members consent to Wells Fargo's use of Covered Trust funds for defending itself in the Litigation.

58. Wells Fargo's conduct was gross, willful and wanton, and at the least was undertaken with reckless disregard of plaintiff's rights, and therefore warrants the imposition of punitive damages.

## COUNT IV

### Breach of Trust

59. Plaintiff repeats and realleges each and every allegation set forth in the preceding paragraphs as if fully set forth herein.

60. Under the common law, Wells Fargo had a duty to plaintiff and the class to only seek indemnification of permitted legal fees and costs incurred for the benefit of the Covered Trusts.

61. As a result of Wells Fargo's actions in relation to allegations in the Litigation, Wells Fargo is not entitled to indemnity.

62. Wells Fargo breached its duty of trust owed to plaintiff and the class by advancing its own interests at the expense of plaintiff and the class, because it is being sued in the Litigation in its capacity as trustee for failing to protect the interests of plaintiff and the class but billing the Covered Trusts for its defense. Accordingly, the legal fees and expenses incurred in defending itself in the Litigation are for the exclusive benefit of Wells Fargo and not for the benefit of the Covered Trusts.

63. In addition, Wells Fargo breached its duty of trust owed to plaintiff and the class by seeking unreasonable legal fees and expenses from the Covered Trusts assets.

64. Furthermore, Wells Fargo has continued bill the Covered Trusts as alleged above and thus has continued to fail to fulfill its duty of trust, and has thereby engaged in numerous, continuing additional breaches of its duty of trust to the present time, in both the Litigation and this action.

65. As a result of Wells Fargo's breach of its duty of trust, unpermitted legal fees and costs were billed to and paid from the Covered Trusts assets, causing the plaintiff and class damages.

66. Wells Fargo's conduct was gross, willful and wanton, and at the least was undertaken with reckless disregard of plaintiff's rights, and therefore warrants the imposition of punitive damages.

## COUNT V

### **Equitable Accounting**

67. Plaintiff repeats and realleges each and every allegation set forth in the preceding paragraphs as if fully set forth herein.

68. As an RMBS trustee, Wells Fargo had, and continues to have, a fiduciary relationship with and duty to certificateholders regarding the assets of the Covered Trusts in which certificateholders have a beneficial interest.

69. The funds held in the Covered Trusts are entrusted to Wells Fargo's administration and oversight.

70. Wells Fargo's fiduciary duty and control of entrusted funds impose a burden of accounting.

71. Plaintiff and the class require an accounting of the legal fees and costs paid for using Covered Trust assets to determine the amount improperly taken.

72. Wells Fargo has declined to provide such an accounting upon plaintiff's request.

## COUNT VI

### **Declaratory Judgment Regarding Wells Fargo's Right to Indemnification for Legal Fees and Costs Incurred in Defending the Litigation from the Covered Trusts**

73. Plaintiff repeats and realleges each and every allegation set forth in the preceding paragraphs as if fully set forth herein.

74. A valid and justiciable controversy exists between plaintiff and Wells Fargo regarding Wells Fargo's right to indemnification from the Covered Trusts for legal fees and costs Wells Fargo incurred in defending the Litigation. Plaintiff contends, and Wells Fargo denies, that Wells Fargo is not entitled to indemnification from the Covered Trusts for any loss, liability or expense associated with the Litigation because the Governing Agreements and New York law prohibit:

- (a) indemnification of first-party claims or those between indemnitor and indemnitee;
- (b) the use of Covered Trust funds for legal fees and costs incurred in defending against allegations of negligence, bad faith and willful misconduct;
- (c) using Covered Trust funds for the unreasonable legal fees and costs incurred in defending itself in the Litigation; and
- (d) obtaining advancement of Wells Fargo's legal fees and costs from the Covered Trusts incurred in relation to the Litigation.

75. Plaintiff seeks a declaration that Wells Fargo is not permitted indemnification from the Covered Trusts for any loss, liability or expense associated with the Litigation, and that Wells Fargo is not entitled to draw against the Covered Trusts for the purpose of advancing its attorneys' fees and expenses associated with the Litigation. The requested declaratory judgment will serve a useful purpose in clarifying and settling the legal issue regarding whether Wells Fargo is entitled to indemnity from the Covered Trusts against any loss, liability or expense associated with the Litigation.

#### **PRAYER FOR RELIEF**

WHEREFORE, plaintiff prays for relief and judgment as follows:

- A. Determining that this action is a proper class action, certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure, and appointing the undersigned as class counsel;
- B. Compelling Wells Fargo to provide an accounting of the legal fees and costs it has sought and/or received from the Covered Trusts in defending itself in the Litigation and this action;

C. Providing declaratory relief in favor of plaintiff and the class to establish that Wells Fargo is prohibited from advancement and reimbursement of fees and costs incurred in relation to the Litigation and this action from the Covered Trusts;

D. Issuing a preliminary and permanent injunction, enjoining the further advancement or indemnification of Wells Fargo from the Covered Trusts' assets for legal fees and costs incurred in the Litigation and this action;

E. Awarding damages and/or equitable relief in favor of plaintiff, the class and the Covered Trusts against Wells Fargo for breaches of its contractual and common law duties alleged in the Litigation and this action, including interest thereon;

F. Disgorging any benefits or profits received as a result of Wells Fargo's breach of its duty of loyalty to avoid unjust enrichment;

G. Awarding punitive damages to plaintiff, the class and the Covered Trusts against Wells Fargo related to the claims of conversion and the breach of trust;

H. Awarding plaintiff, the class and the Covered Trusts their reasonable costs and expenses incurred in this action, including counsel and expert fees; and

I. Such other relief as the Court may deem just and proper.

**JURY DEMAND**

Plaintiff demands a trial by jury on all claims so triable.

DATED: September 1, 2017

ROBBINS GELLER RUDMAN  
& DOWD LLP  
SAMUEL H. RUDMAN

*/s/ Samuel H. Rudman*  
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# EXHIBIT A

**ASSET BACKED FUNDING CORPORATION,  
Depositor**

**OPTION ONE MORTGAGE CORPORATION,  
Servicer**

and

**WELLS FARGO BANK, N.A.,  
Trustee**

**POOLING AND SERVICING AGREEMENT**

**Dated as of July 1, 2006**

**ABFC 2006-OPT1 Trust**

Asset Backed Funding Corporation Asset-Backed Certificates, Series 2006-OPT1

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ASSET BACKED FUNDING CORPORATION, as depositor (the "Depositor"), OPTION ONE MORTGAGE CORPORATION, as servicer (the "Servicer"), and WELLS FARGO BANK, N.A., as trustee (the "Trustee") are entering into this Pooling and Servicing Agreement, dated as of July 1, 2006 (the "Agreement").

**PRELIMINARY STATEMENT**

The Depositor intends to sell pass-through certificates (collectively, the "Certificates"), to be issued hereunder in multiple Classes, which in the aggregate will evidence the entire beneficial ownership interest in the Trust Fund created hereunder. The Certificates will consist of twenty-one Classes of Certificates, designated as (i) the Class A-1, Class A-2, Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, (ii) 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, (iii) the Class B Certificates, (iv) the Class CE Certificates, (v) the Class P Certificates and (vi) the Class R and Class R-X Certificates.

**REMIC 1**

As provided herein, the Trustee will make an election to treat the segregated pool of assets consisting of the Mortgage Loans and certain other related assets subject to this Agreement (but exclusive of the Group 3 Pre-Funding Account, the Interest Rate Swap Agreement, the Swap Account, the Cap Carryover Amounts, the Prepayment Charges, the Originator Prepayment Charge Payment Amounts and the Servicer Prepayment Charge Payment Amounts) as a real estate investment conduit (a "REMIC") for federal income tax purposes, and such segregated pool of assets will be designated as "REMIC 1." The Class R-1 Interest will represent the sole class of "residual interests" in REMIC 1 for purposes of the REMIC Provisions under federal income tax law. The following table irrevocably sets forth the designation, the Uncertificated REMIC 1 Pass-Through Rate, the initial Uncertificated Principal Balance, and solely for purposes of satisfying Treasury Regulations Section 1.860G-1(a)(4)(iii), the "latest possible maturity date" for each of the REMIC 1 Regular Interests. None of the REMIC 1 Regular Interests will be certificated.

Designation	Uncertificated REMIC 1 Pass-Through Rate	Initial Uncertificated Balance	Latest Possible Maturity Date(1)
I-1	Variable(2)	\$230,065,450	Sept. 25, 2036
I-2	Variable(2)	\$229,953,819	Sept. 25, 2036
I-3	Variable(2)	\$622,143,497	Sept. 25, 2036

(1) Solely for purposes of Treasury Regulations Section 1.860G-1(a)(4)(iii), the Distribution Date in the month following the maturity date for the Mortgage Loan with the latest maturity date has been designated as the "latest possible maturity date" for each REMIC 1 Regular Interest.

(2) Calculated in accordance with the definition of "Uncertificated REMIC 1 Pass-Through Rate" herein.

**REMIC 2**

As provided herein, the Trustee will make an election to treat the segregated pool of assets consisting of the REMIC 1 Regular Interests as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as "REMIC 2." The Class R-2 Interest will represent the sole class of "residual interests" in REMIC 2 for purposes of the REMIC Provisions under federal income tax law. The following table irrevocably sets forth the designation, the Uncertificated REMIC 2 Pass-Through Rate, the initial Uncertificated Balance, and solely for purposes of satisfying Treasury Regulations Section 1.860G-1(a)(4)(iii), the "latest possible maturity date" for each of the REMIC 2 Regular Interests. None of the REMIC 2 Regular Interests will be certificated.

Designation	Uncertificated REMIC 2 Pass-Through Rate	Initial Uncertificated Balance	Latest Possible Maturity Date(1)
I-1-A	(2)	\$818,164.66	September 25, 2036
I-1-B	(2)	\$818,164.66	September 25, 2036
I-2-A	(2)	\$1,072,013.37	September 25, 2036
I-2-B	(2)	\$1,072,013.37	September 25, 2036
I-3-A	(2)	\$1,325,841.25	September 25, 2036
I-3-B	(2)	\$1,325,841.25	September 25, 2036
I-4-A	(2)	\$1,578,047.53	September 25, 2036
I-4-B	(2)	\$1,578,047.53	September 25, 2036
I-5-A	(2)	\$1,826,980.45	September 25, 2036
I-5-B	(2)	\$1,826,980.45	September 25, 2036
I-6-A	(2)	\$2,070,908.39	September 25, 2036
I-6-B	(2)	\$2,070,908.39	September 25, 2036
I-7-A	(2)	\$2,308,161.51	September 25, 2036
I-7-B	(2)	\$2,308,161.51	September 25, 2036
I-8-A	(2)	\$2,537,013.18	September 25, 2036
I-8-B	(2)	\$2,537,013.18	September 25, 2036
I-9-A	(2)	\$2,755,764.97	September 25, 2036
I-9-B	(2)	\$2,755,764.97	September 25, 2036

I-10-A	(2)	\$2,953,676.43	September 25, 2036
I-10-B	(2)	\$2,953,676.43	September 25, 2036
I-11-A	(2)	\$3,135,192.45	September 25, 2036
I-11-B	(2)	\$3,135,192.45	September 25, 2036
I-12-A	(2)	\$3,039,327.10	September 25, 2036
I-12-B	(2)	\$3,039,327.10	September 25, 2036
I-13-A	(2)	\$2,939,577.58	September 25, 2036
I-13-B	(2)	\$2,939,577.58	September 25, 2036
I-14-A	(2)	\$2,843,103.02	September 25, 2036
I-14-B	(2)	\$2,843,103.02	September 25, 2036
I-15-A	(2)	\$2,749,795.97	September 25, 2036
I-15-B	(2)	\$2,749,795.97	September 25, 2036
I-16-A	(2)	\$2,659,552.12	September 25, 2036
I-16-B	(2)	\$2,659,552.12	September 25, 2036
I-17-A	(2)	\$2,572,271.25	September 25, 2036
I-17-B	(2)	\$2,572,271.25	September 25, 2036
I-18-A	(2)	\$2,487,855.89	September 25, 2036
I-18-B	(2)	\$2,487,855.89	September 25, 2036
I-19-A	(2)	\$2,406,211.73	September 25, 2036
I-19-B	(2)	\$2,406,211.73	September 25, 2036
I-20-A	(2)	\$2,327,248.12	September 25, 2036
I-20-B	(2)	\$2,327,248.12	September 25, 2036
I-21-A	(2)	\$2,250,876.81	September 25, 2036
I-21-B	(2)	\$2,250,876.81	September 25, 2036
I-22-A	(2)	\$2,177,012.67	September 25, 2036
I-22-B	(2)	\$2,177,012.67	September 25, 2036
I-23-A	(2)	\$55,530,673.73	September 25, 2036
I-23-B	(2)	\$55,530,673.73	September 25, 2036
I-24-A	(2)	\$476,450.54	September 25, 2036
I-24-B	(2)	\$476,450.54	September 25, 2036
I-25-A	(2)	\$512,459.93	September 25, 2036
I-25-B	(2)	\$512,459.93	September 25, 2036
I-26-A	(2)	\$472,986.90	September 25, 2036
I-26-B	(2)	\$472,986.90	September 25, 2036
I-27-A	(2)	\$299,142.47	September 25, 2036
I-27-B	(2)	\$299,142.47	September 25, 2036
I-28-A	(2)	\$231,369.15	September 25, 2036
I-28-B	(2)	\$231,369.15	September 25, 2036
I-29-A	(2)	\$223,228.03	September 25, 2036
I-29-B	(2)	\$223,228.03	September 25, 2036
I-30-A	(2)	\$215,384.88	September 25, 2036
I-30-B	(2)	\$215,384.88	September 25, 2036
I-31-A	(2)	\$207,828.72	September 25, 2036
I-31-B	(2)	\$207,828.72	September 25, 2036
I-32-A	(2)	\$200,548.63	September 25, 2036
I-32-B	(2)	\$200,548.63	September 25, 2036
I-33-A	(2)	\$193,534.39	September 25, 2036
I-33-B	(2)	\$193,534.39	September 25, 2036
I-34-A	(2)	\$186,775.80	September 25, 2036
I-34-B	(2)	\$186,775.80	September 25, 2036
I-35-A	(2)	\$640,380.05	September 25, 2036
I-35-B	(2)	\$640,380.05	September 25, 2036
I-36-A	(2)	\$474,895.49	September 25, 2036
I-36-B	(2)	\$474,895.49	September 25, 2036
I-37-A	(2)	\$137,357.86	September 25, 2036
I-37-B	(2)	\$137,357.86	September 25, 2036
I-38-A	(2)	\$132,755.86	September 25, 2036
I-38-B	(2)	\$132,755.86	September 25, 2036
I-39-A	(2)	\$128,315.86	September 25, 2036
I-39-B	(2)	\$128,315.86	September 25, 2036
I-40-A	(2)	\$124,032.23	September 25, 2036
I-40-B	(2)	\$124,032.23	September 25, 2036
I-41-A	(2)	\$119,898.90	September 25, 2036
I-41-B	(2)	\$119,898.90	September 25, 2036
I-42-A	(2)	\$115,910.57	September 25, 2036
I-42-B	(2)	\$115,910.57	September 25, 2036
I-43-A	(2)	\$112,061.91	September 25, 2036
I-43-B	(2)	\$112,061.91	September 25, 2036
I-44-A	(2)	\$108,347.82	September 25, 2036
I-44-B	(2)	\$108,347.82	September 25, 2036
I-45-A	(2)	\$104,763.32	September 25, 2036
I-45-B	(2)	\$104,763.32	September 25, 2036
I-46-A	(2)	\$101,303.82	September 25, 2036
I-46-B	(2)	\$101,303.82	September 25, 2036
I-47-A	(2)	\$97,964.65	September 25, 2036
I-47-B	(2)	\$97,964.65	September 25, 2036
I-48-A	(2)	\$94,741.56	September 25, 2036
I-48-B	(2)	\$94,741.56	September 25, 2036
I-49-A	(2)	\$91,630.30	September 25, 2036
I-49-B	(2)	\$91,630.30	September 25, 2036
I-50-A	(2)	\$88,626.61	September 25, 2036
I-50-B	(2)	\$88,626.61	September 25, 2036

I-51-A	(2)	\$85,726.99	September 25, 2036
I-51-B	(2)	\$85,726.99	September 25, 2036
I-52-A	(2)	\$82,927.29	September 25, 2036
I-52-B	(2)	\$82,927.29	September 25, 2036
I-53-A	(2)	\$80,224.21	September 25, 2036
I-53-B	(2)	\$80,224.21	September 25, 2036
I-54-A	(2)	\$77,614.04	September 25, 2036
I-54-B	(2)	\$77,614.04	September 25, 2036
I-55-A	(2)	\$75,093.59	September 25, 2036
I-55-B	(2)	\$75,093.59	September 25, 2036
I-56-A	(2)	\$72,659.45	September 25, 2036
I-56-B	(2)	\$72,659.45	September 25, 2036
I-57-A	(2)	\$70,308.86	September 25, 2036
I-57-B	(2)	\$70,308.86	September 25, 2036
I-58-A	(2)	\$68,038.43	September 25, 2036
I-58-B	(2)	\$68,038.43	September 25, 2036
I-59-A	(2)	\$663,241.54	September 25, 2036
I-59-B	(2)	\$663,241.54	September 25, 2036
I-60-A	(2)	\$1,498,924.15	September 25, 2036
I-60-B	(2)	\$1,498,924.15	September 25, 2036
II-1-A	(2)	\$817,767.67	September 25, 2036
II-1-B	(2)	\$817,767.67	September 25, 2036
II-2-A	(2)	\$1,071,493.21	September 25, 2036
II-2-B	(2)	\$1,071,493.21	September 25, 2036
II-3-A	(2)	\$1,325,197.93	September 25, 2036
II-3-B	(2)	\$1,325,197.93	September 25, 2036
II-4-A	(2)	\$1,577,281.84	September 25, 2036
II-4-B	(2)	\$1,577,281.84	September 25, 2036
II-5-A	(2)	\$1,826,093.98	September 25, 2036
II-5-B	(2)	\$1,826,093.98	September 25, 2036
II-6-A	(2)	\$2,069,903.56	September 25, 2036
II-6-B	(2)	\$2,069,903.56	September 25, 2036
II-7-A	(2)	\$2,307,041.56	September 25, 2036
II-7-B	(2)	\$2,307,041.56	September 25, 2036
II-8-A	(2)	\$2,535,782.19	September 25, 2036
II-8-B	(2)	\$2,535,782.19	September 25, 2036
II-9-A	(2)	\$2,754,427.83	September 25, 2036
II-9-B	(2)	\$2,754,427.83	September 25, 2036
II-10-A	(2)	\$2,952,243.26	September 25, 2036
II-10-B	(2)	\$2,952,243.26	September 25, 2036
II-11-A	(2)	\$3,133,671.21	September 25, 2036
II-11-B	(2)	\$3,133,671.21	September 25, 2036
II-12-A	(2)	\$3,037,852.37	September 25, 2036
II-12-B	(2)	\$3,037,852.37	September 25, 2036
II-13-A	(2)	\$2,938,151.25	September 25, 2036
II-13-B	(2)	\$2,938,151.25	September 25, 2036
II-14-A	(2)	\$2,841,723.51	September 25, 2036
II-14-B	(2)	\$2,841,723.51	September 25, 2036
II-15-A	(2)	\$2,748,461.73	September 25, 2036
II-15-B	(2)	\$2,748,461.73	September 25, 2036
II-16-A	(2)	\$2,658,261.67	September 25, 2036
II-16-B	(2)	\$2,658,261.67	September 25, 2036
II-17-A	(2)	\$2,571,023.15	September 25, 2036
II-17-B	(2)	\$2,571,023.15	September 25, 2036
II-18-A	(2)	\$2,486,648.74	September 25, 2036
II-18-B	(2)	\$2,486,648.74	September 25, 2036
II-19-A	(2)	\$2,405,044.20	September 25, 2036
II-19-B	(2)	\$2,405,044.20	September 25, 2036
II-20-A	(2)	\$2,326,118.90	September 25, 2036
II-20-B	(2)	\$2,326,118.90	September 25, 2036
II-21-A	(2)	\$2,249,784.65	September 25, 2036
II-21-B	(2)	\$2,249,784.65	September 25, 2036
II-22-A	(2)	\$2,175,956.36	September 25, 2036
II-22-B	(2)	\$2,175,956.36	September 25, 2036
II-23-A	(2)	\$55,503,729.47	September 25, 2036
II-23-B	(2)	\$55,503,729.47	September 25, 2036
II-24-A	(2)	\$476,219.36	September 25, 2036
II-24-B	(2)	\$476,219.36	September 25, 2036
II-25-A	(2)	\$512,211.28	September 25, 2036
II-25-B	(2)	\$512,211.28	September 25, 2036
II-26-A	(2)	\$472,757.40	September 25, 2036
II-26-B	(2)	\$472,757.40	September 25, 2036
II-27-A	(2)	\$298,997.32	September 25, 2036
II-27-B	(2)	\$298,997.32	September 25, 2036
II-28-A	(2)	\$231,256.89	September 25, 2036
II-28-B	(2)	\$231,256.89	September 25, 2036
II-29-A	(2)	\$223,119.72	September 25, 2036
II-29-B	(2)	\$223,119.72	September 25, 2036
II-30-A	(2)	\$215,280.37	September 25, 2036
II-30-B	(2)	\$215,280.37	September 25, 2036
II-31-A	(2)	\$207,727.88	September 25, 2036
II-31-B	(2)	\$207,727.88	September 25, 2036



II-32-A	(2)	\$200,451.32	September 25, 2036
II-32-B	(2)	\$200,451.32	September 25, 2036
II-33-A	(2)	\$193,440.48	September 25, 2036
II-33-B	(2)	\$193,440.48	September 25, 2036
II-34-A	(2)	\$186,685.17	September 25, 2036
II-34-B	(2)	\$186,685.17	September 25, 2036
II-35-A	(2)	\$640,069.32	September 25, 2036
II-35-B	(2)	\$640,069.32	September 25, 2036
II-36-A	(2)	\$474,665.07	September 25, 2036
II-36-B	(2)	\$474,665.07	September 25, 2036
II-37-A	(2)	\$137,291.21	September 25, 2036
II-37-B	(2)	\$137,291.21	September 25, 2036
II-38-A	(2)	\$132,691.45	September 25, 2036
II-38-B	(2)	\$132,691.45	September 25, 2036
II-39-A	(2)	\$128,253.60	September 25, 2036
II-39-B	(2)	\$128,253.60	September 25, 2036
II-40-A	(2)	\$123,972.05	September 25, 2036
II-40-B	(2)	\$123,972.05	September 25, 2036
II-41-A	(2)	\$119,840.72	September 25, 2036
II-41-B	(2)	\$119,840.72	September 25, 2036
II-42-A	(2)	\$115,854.32	September 25, 2036
II-42-B	(2)	\$115,854.32	September 25, 2036
II-43-A	(2)	\$112,007.53	September 25, 2036
II-43-B	(2)	\$112,007.53	September 25, 2036
II-44-A	(2)	\$108,295.25	September 25, 2036
II-44-B	(2)	\$108,295.25	September 25, 2036
II-45-A	(2)	\$104,712.49	September 25, 2036
II-45-B	(2)	\$104,712.49	September 25, 2036
II-46-A	(2)	\$101,254.67	September 25, 2036
II-46-B	(2)	\$101,254.67	September 25, 2036
II-47-A	(2)	\$97,917.12	September 25, 2036
II-47-B	(2)	\$97,917.12	September 25, 2036
II-48-A	(2)	\$94,695.59	September 25, 2036
II-48-B	(2)	\$94,695.59	September 25, 2036
II-49-A	(2)	\$91,585.84	September 25, 2036
II-49-B	(2)	\$91,585.84	September 25, 2036
II-50-A	(2)	\$88,583.61	September 25, 2036
II-50-B	(2)	\$88,583.61	September 25, 2036
II-51-A	(2)	\$85,685.39	September 25, 2036
II-51-B	(2)	\$85,685.39	September 25, 2036
II-52-A	(2)	\$82,887.05	September 25, 2036
II-52-B	(2)	\$82,887.05	September 25, 2036
II-53-A	(2)	\$80,185.29	September 25, 2036
II-53-B	(2)	\$80,185.29	September 25, 2036
II-54-A	(2)	\$77,576.39	September 25, 2036
II-54-B	(2)	\$77,576.39	September 25, 2036
II-55-A	(2)	\$75,057.15	September 25, 2036
II-55-B	(2)	\$75,057.15	September 25, 2036
II-56-A	(2)	\$72,624.20	September 25, 2036
II-56-B	(2)	\$72,624.20	September 25, 2036
II-57-A	(2)	\$70,274.75	September 25, 2036
II-57-B	(2)	\$70,274.75	September 25, 2036
II-58-A	(2)	\$68,005.41	September 25, 2036
II-58-B	(2)	\$68,005.41	September 25, 2036
II-59-A	(2)	\$662,919.73	September 25, 2036
II-59-B	(2)	\$662,919.73	September 25, 2036
II-60-A	(2)	\$1,498,196.85	September 25, 2036
II-60-B	(2)	\$1,498,196.85	September 25, 2036
III-1-A	(2)	\$2,212,482.67	September 25, 2036
III-1-B	(2)	\$2,212,482.67	September 25, 2036
III-2-A	(2)	\$2,898,940.92	September 25, 2036
III-2-B	(2)	\$2,898,940.92	September 25, 2036
III-3-A	(2)	\$3,585,342.82	September 25, 2036
III-3-B	(2)	\$3,585,342.82	September 25, 2036
III-4-A	(2)	\$4,267,359.62	September 25, 2036
III-4-B	(2)	\$4,267,359.62	September 25, 2036
III-5-A	(2)	\$4,940,524.57	September 25, 2036
III-5-B	(2)	\$4,940,524.57	September 25, 2036
III-6-A	(2)	\$5,600,155.05	September 25, 2036
III-6-B	(2)	\$5,600,155.05	September 25, 2036
III-7-A	(2)	\$6,241,735.44	September 25, 2036
III-7-B	(2)	\$6,241,735.44	September 25, 2036
III-8-A	(2)	\$6,860,596.63	September 25, 2036
III-8-B	(2)	\$6,860,596.63	September 25, 2036
III-9-A	(2)	\$7,452,145.70	September 25, 2036
III-9-B	(2)	\$7,452,145.70	September 25, 2036
III-10-A	(2)	\$7,987,338.31	September 25, 2036
III-10-B	(2)	\$7,987,338.31	September 25, 2036
III-11-A	(2)	\$8,478,194.34	September 25, 2036
III-11-B	(2)	\$8,478,194.34	September 25, 2036
III-12-A	(2)	\$8,218,955.03	September 25, 2036
III-12-B	(2)	\$8,218,955.03	September 25, 2036

III-13-A	(2)	\$7,949,212.17	September 25, 2036
III-13-B	(2)	\$7,949,212.17	September 25, 2036
III-14-A	(2)	\$7,688,325.47	September 25, 2036
III-14-B	(2)	\$7,688,325.47	September 25, 2036
III-15-A	(2)	\$7,436,004.31	September 25, 2036
III-15-B	(2)	\$7,436,004.31	September 25, 2036
III-16-A	(2)	\$7,191,966.71	September 25, 2036
III-16-B	(2)	\$7,191,966.71	September 25, 2036
III-17-A	(2)	\$6,955,941.59	September 25, 2036
III-17-B	(2)	\$6,955,941.59	September 25, 2036
III-18-A	(2)	\$6,727,665.37	September 25, 2036
III-18-B	(2)	\$6,727,665.37	September 25, 2036
III-19-A	(2)	\$6,506,883.07	September 25, 2036
III-19-B	(2)	\$6,506,883.07	September 25, 2036
III-20-A	(2)	\$6,293,349.48	September 25, 2036
III-20-B	(2)	\$6,293,349.48	September 25, 2036
III-21-A	(2)	\$6,086,826.03	September 25, 2036
III-21-B	(2)	\$6,086,826.03	September 25, 2036
III-22-A	(2)	\$5,887,082.47	September 25, 2036
III-22-B	(2)	\$5,887,082.47	September 25, 2036
III-23-A	(2)	\$150,166,170.30	September 25, 2036
III-23-B	(2)	\$150,166,170.30	September 25, 2036
III-24-A	(2)	\$1,288,418.60	September 25, 2036
III-24-B	(2)	\$1,288,418.60	September 25, 2036
III-25-A	(2)	\$1,385,795.28	September 25, 2036
III-25-B	(2)	\$1,385,795.28	September 25, 2036
III-26-A	(2)	\$1,279,052.21	September 25, 2036
III-26-B	(2)	\$1,279,052.21	September 25, 2036
III-27-A	(2)	\$808,941.72	September 25, 2036
III-27-B	(2)	\$808,941.72	September 25, 2036
III-28-A	(2)	\$625,668.96	September 25, 2036
III-28-B	(2)	\$625,668.96	September 25, 2036
III-29-A	(2)	\$603,653.74	September 25, 2036
III-29-B	(2)	\$603,653.74	September 25, 2036
III-30-A	(2)	\$582,444.26	September 25, 2036
III-30-B	(2)	\$582,444.26	September 25, 2036
III-31-A	(2)	\$562,010.89	September 25, 2036
III-31-B	(2)	\$562,010.89	September 25, 2036
III-32-A	(2)	\$542,324.05	September 25, 2036
III-32-B	(2)	\$542,324.05	September 25, 2036
III-33-A	(2)	\$523,356.12	September 25, 2036
III-33-B	(2)	\$523,356.12	September 25, 2036
III-34-A	(2)	\$505,079.53	September 25, 2036
III-34-B	(2)	\$505,079.53	September 25, 2036
III-35-A	(2)	\$1,731,717.13	September 25, 2036
III-35-B	(2)	\$1,731,717.13	September 25, 2036
III-36-A	(2)	\$1,284,213.44	September 25, 2036
III-36-B	(2)	\$1,284,213.44	September 25, 2036
III-37-A	(2)	\$371,443.43	September 25, 2036
III-37-B	(2)	\$371,443.43	September 25, 2036
III-38-A	(2)	\$358,998.69	September 25, 2036
III-38-B	(2)	\$358,998.69	September 25, 2036
III-39-A	(2)	\$346,992.04	September 25, 2036
III-39-B	(2)	\$346,992.04	September 25, 2036
III-40-A	(2)	\$335,408.23	September 25, 2036
III-40-B	(2)	\$335,408.23	September 25, 2036
III-41-A	(2)	\$324,230.87	September 25, 2036
III-41-B	(2)	\$324,230.87	September 25, 2036
III-42-A	(2)	\$313,445.61	September 25, 2036
III-42-B	(2)	\$313,445.61	September 25, 2036
III-43-A	(2)	\$303,038.06	September 25, 2036
III-43-B	(2)	\$303,038.06	September 25, 2036
III-44-A	(2)	\$292,994.42	September 25, 2036
III-44-B	(2)	\$292,994.42	September 25, 2036
III-45-A	(2)	\$283,301.20	September 25, 2036
III-45-B	(2)	\$283,301.20	September 25, 2036
III-46-A	(2)	\$273,946.01	September 25, 2036
III-46-B	(2)	\$273,946.01	September 25, 2036
III-47-A	(2)	\$264,916.23	September 25, 2036
III-47-B	(2)	\$264,916.23	September 25, 2036
III-48-A	(2)	\$256,200.34	September 25, 2036
III-48-B	(2)	\$256,200.34	September 25, 2036
III-49-A	(2)	\$247,786.86	September 25, 2036
III-49-B	(2)	\$247,786.86	September 25, 2036
III-50-A	(2)	\$239,664.28	September 25, 2036
III-50-B	(2)	\$239,664.28	September 25, 2036
III-51-A	(2)	\$231,823.12	September 25, 2036
III-51-B	(2)	\$231,823.12	September 25, 2036
III-52-A	(2)	\$224,252.16	September 25, 2036
III-52-B	(2)	\$224,252.16	September 25, 2036
III-53-A	(2)	\$216,942.50	September 25, 2036
III-53-B	(2)	\$216,942.50	September 25, 2036

III-54-A	(2)	\$209,884.07	September 25, 2036
III-54-B	(2)	\$209,884.07	September 25, 2036
III-55-A	(2)	\$203,068.25	September 25, 2036
III-55-B	(2)	\$203,068.25	September 25, 2036
III-56-A	(2)	\$196,485.85	September 25, 2036
III-56-B	(2)	\$196,485.85	September 25, 2036
III-57-A	(2)	\$190,129.39	September 25, 2036
III-57-B	(2)	\$190,129.39	September 25, 2036
III-58-A	(2)	\$183,989.66	September 25, 2036
III-58-B	(2)	\$183,989.66	September 25, 2036
III-59-A	(2)	\$1,793,539.23	September 25, 2036
III-59-B	(2)	\$1,793,539.23	September 25, 2036
III-60-A	(2)	\$4,053,394.00	September 25, 2036
III-60-B	(2)	\$4,053,394.00	September 25, 2036

(1) For purposes of Section 1.860G-1(a)(4)(iii) of the Treasury regulations, the Distribution Date in the month following the maturity date for the Mortgage Loan with the latest possible maturity date has been designated as the "latest possible maturity date" for each REMIC 2 Regular Interest.

(2) Calculated in accordance with the definition of "Uncertificated REMIC 2 Pass-Through Rate" herein.

### REMIC 3

As provided herein, the Trustee will make an election to treat the segregated pool of assets consisting of the REMIC 2 Regular Interests as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as "REMIC 3." The Class R-3 Interest will represent the sole class of "residual interests" in REMIC 3 for purposes of the REMIC Provisions under federal income tax law. The following table irrevocably sets forth the designation, the Uncertificated REMIC 3 Pass-Through Rate, the initial Uncertificated Balance or Uncertificated Notional Amount, and solely for purposes of satisfying Treasury Regulations Section 1.860G-1(a)(4)(iii), the "latest possible maturity date" for each of the REMIC 3 Regular Interests. None of the REMIC 3 Regular Interests will be certificated.

Designation	Uncertificated REMIC 3 Pass-Through Rate	Initial Uncertificated Balance or Uncertificated Notional Amount (3)	Latest Possible Maturity Date(1)
LT1AA	Variable(2)	\$530,259,755.34	September 25, 2036
LT1A1	Variable(2)	\$835,135.00	September 25, 2036
LT1A2	Variable(2)	\$834,730.00	September 25, 2036
LT1A3A	Variable(2)	\$1,223,505.00	September 25, 2036
LT1A3B	Variable(2)	\$398,590.00	September 25, 2036
LT1A3C1	Variable(2)	\$375,000.00	September 25, 2036
LT1A3C2	Variable(2)	\$167,475.00	September 25, 2036
LT1A3D	Variable(2)	\$93,815.00	September 25, 2036
LT1M1	Variable(2)	\$286,770.00	September 25, 2036
LT1M2	Variable(2)	\$275,955.00	September 25, 2036
LT1M3	Variable(2)	\$100,100.00	September 25, 2036
LT1M4	Variable(2)	\$116,280.00	September 25, 2036
LT1M5	Variable(2)	\$105,560.00	September 25, 2036
LT1M6	Variable(2)	\$81,165.00	September 25, 2036
LT1M7	Variable(2)	\$102,805.00	September 25, 2036
LT1M8	Variable(2)	\$62,225.00	September 25, 2036
LT1M9	Variable(2)	\$75,750.00	September 25, 2036
LT1B	Variable(2)	\$100,100.00	September 25, 2036
LT1ZZ	Variable(2)	\$5,586,667.66	September 25, 2036
LT1SUB	Variable(2)	\$6,303.85	September 25, 2036
LT1GRP	Variable(2)	\$23,006.55	September 25, 2036
LT2SUB	Variable(2)	\$6,300.78	September 25, 2036
LT2GRP	Variable(2)	\$22,995.38	September 25, 2036
LT3SUB	Variable(2)	\$17,046.65	September 25, 2036
LT3GRP	Variable(2)	\$62,214.35	September 25, 2036
LT1XX	Variable(2)	\$540,943,515.45	September 25, 2036
LTIO	Variable(2)	\$541,081,383.00	September 25, 2036

(1) For purposes of Treasury Regulations Section 1.860G-1(a)(4)(iii), the Distribution Date in the month following the maturity date for the Mortgage Loan with the latest maturity date has been designated as the "latest possible maturity date" for each REMIC 3 Regular Interest and each Class of Regular Certificates.

(2) Calculated in accordance with the definition of "Uncertificated REMIC 3 Pass-Through Rate" herein.

(3) REMIC 3 Regular Interest LTIO will not have an Uncertificated Balance, but will accrue interest on its Uncertificated Notional Amount, as defined herein.

### REMIC 4

As provided herein, the Trustee shall make an election to treat the segregated pool of assets consisting of the REMIC 3 Regular Interests as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as "REMIC 4." The Class R-4 Interest represents the sole class of "residual interests" in REMIC 4 for purposes of the REMIC Provisions.

The following table sets forth (or describes) the Class designation, Original Certificate Principal Balance, Certificate Interest Rate and Assumed Final Maturity Date for each Class of Certificates comprising the interests in the Trust Fund created hereunder:

Class	Original Certificate Principal Balance	Certificate Interest Rate	Assumed Final Maturity Date
A-1	\$167,027,000.00	(1)	September 25, 2036
A-2	\$166,946,000.00	(2)	September 25, 2036
A-3A	\$244,701,000.00	(3)	September 25, 2036
A-3B	\$79,718,000.00	(4)	September 25, 2036
A-3C1	\$75,000,000.00	(5)	September 25, 2036
A-3C2	\$33,495,000.00	(6)	September 25, 2036
A-3D	\$18,763,000.00	(7)	September 25, 2036
M-1	\$57,354,000.00	(8)	September 25, 2036
M-2	\$55,191,000.00	(9)	September 25, 2036
M-3	\$20,020,000.00	(10)	September 25, 2036
M-4	\$23,256,000.00	(11)	September 25, 2036
M-5	\$21,112,000.00	(12)	September 25, 2036
M-6	\$16,233,000.00	(13)	September 25, 2036
M-7	\$20,561,000.00	(14)	September 25, 2036
M-8	\$12,445,000.00	(15)	September 25, 2036
M-9	\$15,150,000.00	(16)	September 25, 2036
B	\$20,020,000.00	(17)	September 25, 2036
CE Interest	(18)	(18)	September 25, 2036
Swap IO Interest	(19)	(20)	September 25, 2036
R	N/A	N/A	N/A

- (1) Interest will accrue on the Class A-1 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class A-1 Pass-Through Rate and (ii) the Group 1 Cap for such Distribution Date.
- (2) Interest will accrue on the Class A-2 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class A-2 Pass-Through Rate and (ii) the Group 2 Cap for such Distribution Date.
- (3) Interest will accrue on the Class A-3A Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class A-3A Pass-Through Rate and (ii) the Group 3 Cap for such Distribution Date.
- (4) Interest will accrue on the Class A-3B Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class A-3B Pass-Through Rate and (ii) the Group 3 Cap for such Distribution Date.
- (5) Interest will accrue on the Class A-3C1 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class A-3C1 Pass-Through Rate and (ii) the Group 3 Cap for such Distribution Date.
- (6) Interest will accrue on the Class A-3C2 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class A-3C2 Pass-Through Rate and (ii) the Group 3 Cap for such Distribution Date.
- (7) Interest will accrue on the Class A-3D Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class A-3D Pass-Through Rate and (ii) the Group 3 Cap for such Distribution Date.
- (8) Interest will accrue on the Class M-1 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class M-1 Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (9) Interest will accrue on the Class M-2 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class M-2 Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (10) Interest will accrue on the Class M-3 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class M-3 Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (11) Interest will accrue on the Class M-4 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class M-4 Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (12) Interest will accrue on the Class M-5 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class M-5 Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (13) Interest will accrue on the Class M-6 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class M-6 Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (14) Interest will accrue on the Class M-7 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class M-7 Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (15) Interest will accrue on the Class M-8 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class M-8 Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (16) Interest will accrue on the Class M-9 Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class M-9 Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (17) Interest will accrue on the Class B Certificates during each Interest Accrual Period at a rate equal to the lesser of: (i) the Class B Pass-Through Rate and (ii) the Pool Cap for such Distribution Date.
- (18) Solely for REMIC purposes, the Class CE Interest will (i) have an Original Certificate Principal Balance equal to the Initial Overcollateralization Amount and (ii) will bear interest on its Notional Amount at its Pass-Through Rate.
- (19) For federal income tax purposes, the Swap IO Interest will not have an Original Certificate Principal Balance, but will have a notional amount equal to the Uncertificated Notional Amount of REMIC 3 Regular Interest LTIO.

(20) For federal income tax purposes, the Swap IO Interest will not have a Certificate Interest Rate, but will be entitled to 100% of the amounts distributed on REMIC 3 Regular Interest LTIO.

Interest will accrue on the regular interests represented by the Offered Certificates and Class B Certificates at their respective REMIC 4 Pass-Through Rates.

## REMIC 5

As provided herein, the Trustee shall make an election to treat the segregated pool of assets consisting of the Class CE Interest and the Swap IO Interest as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as "REMIC 5." The Class R-Certificate represents the sole class of "residual interests" in REMIC 5 for purposes of the REMIC Provisions.

The following table sets forth (or describes) the Class designation, Original Certificate Principal Balance, Certificate Interest Rate and Assumed Final Maturity Date for the Class of Certificates comprising the interests in the Trust Fund created hereunder:

Class	Original Certificate Principal Balance	Certificate Interest Rate	Assumed Final Maturity Date(1)
CE	N/A(2)	Variable(3)	September 25, 2036
R-X	N/A	N/A	N/A

(1) For purposes of Section 1.860G-1(a)(4)(iii) of the Treasury regulations, the Distribution Date following the maturity date for the Mortgage Loan with the latest maturity date has been designated as the "latest possible maturity date" for each Class of Certificates that represents one or more of the "regular interests" in REMIC 5.

(2) Solely for REMIC purposes, the Class CE Certificates will have an Original Certificate Principal Balance equal to the Initial Overcollateralization Amount.

(3) The Class CE Certificates will be entitled to 100% of amounts distributed on the Class CE Interest and the Swap IO Interest.

In addition, the Trust shall issue the Class P Certificates, which shall be issued by the Grantor Trust.

## ARTICLE I

### DEFINITIONS

#### Section 1.01 Defined Terms.

Whenever used in this Agreement or in the Preliminary Statement, the following words and phrases, unless the context otherwise requires, shall have the meanings specified in this Article. Interest on all Classes of REMIC 1 Regular Interests will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on all Regular Certificates will be calculated on the basis of the actual number of days in the related Interest Accrual Period and a 360-day year.

"10-K Filing Deadline": As defined in Section 3.31(c) hereof.

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

"60+ Day Delinquent Loan": Each Mortgage Loan (including each Mortgage Loan in foreclosure and each Mortgage Loan for which the Mortgagor has filed for bankruptcy after the Closing Date) with respect to which any portion of a Monthly Payment is, as of the last day of the prior Collection Period, two months or more past due and each Mortgage Loan relating to an REO Property.

"Account": Any of the Collection Account, the Distribution Account, the Swap Account or the Escrow Account.

"Accrued Certificate Interest": With respect to each Distribution Date and Class of Certificates, an amount equal to the interest accrued at the Certificate Interest Rate described opposite such Class in the table in the Preliminary Statement (or in the case of the regular interests represented thereby, at the related REMIC 4 Pass-Through Rate) during the related Interest Accrual Period on the Certificate Principal Balance of such Class of Certificates, reduced by such Class' Interest Percentage of Relief Act Interest Shortfalls for such Distribution Date.

"Additional Disclosure Notification": As defined in Section 3.31(b) hereof.

"Addition Notice": With respect to the transfer of Additional Group 3 Mortgage Loans to the Trust Fund pursuant to Section 2.04, a notice of the Depositor's designation of the Additional Group 3 Mortgage Loans to be sold to the Trust Fund and the aggregate Principal Balance of such Additional Group 3 Mortgage Loans as of the Subsequent Cut-off Date. The Addition Notice shall be given not later than three Business Days

"Additional Form 10-D Information": As defined in Section 3.31(b) hereof.

"Additional Form 10-K Information": As defined in Section 3.31(c) hereof.

"Additional Group 3 Mortgage Loan": A Mortgage Loan sold by the Depositor to the Trust Fund pursuant to Section 2.04 and included in Loan Group 3, such Mortgage Loan being identified on the Mortgage Loan Schedule delivered pursuant to an Additional Transfer Instrument.

"Additional Mortgage Loan Purchase Agreements": The agreements between the Depositor and the Seller, regarding the transfer of the Additional Group 3 Mortgage Loans by the Sponsor to the Depositor, substantially in the form attached hereto as Exhibit V.

"Additional Servicer": A Subcontractor engaged by the Servicer, the Trustee or a custodian that is a "servicer" within the meaning of Item 1101 of Regulation AB and meets any of the criteria in Item 1108(a)(2)(i), (ii) or (iii) of Regulation AB.

"Additional Transfer Date": With respect to each Additional Transfer Instrument, the date on which the related Additional Group 3 Mortgage Loans are sold to the Trust Fund.

"Additional Transfer Instrument": Each Additional Transfer Instrument, dated as of the related Additional Transfer Date, executed by the Trustee and the Depositor substantially in the form attached hereto as Exhibit S by which Additional Group 3 Mortgage Loans are transferred to the Trust Fund.

"Adjustable-Rate Mortgage Loan": A Mortgage Loan which has a rate at which interest accrues that adjusts based on the Index plus a related Gross Margin, as set forth and subject to the limitations in the related Mortgage Note.

"Adjustment Date": With respect to each Adjustable-Rate Mortgage Loan, each adjustment date on which the Mortgage Interest Rate of an Adjustable-Rate Mortgage Loan changes pursuant to the related Mortgage Note. The first Adjustment Date following the Cut-off Date (or Subsequent Cut-off Date with respect to each Additional Group 3 Mortgage Loan) for each Adjustable-Rate Mortgage Loan is set forth in the Mortgage Loan Schedules.

"Advance": As to any Mortgage Loan, any advance made by the Servicer in respect of any Distribution Date pursuant to Section 4.07.

"Adverse REMIC Event": As defined in Section 9.01(f) hereof.

"Affiliate": With respect to any Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, "control" means the power to direct the management and policies of a Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise and "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Agreement": This Pooling and Servicing Agreement and all amendments and supplements hereto.

"Applicable Regulations": As to any Mortgage Loan, all federal, state and local laws, statutes, rules and regulations applicable thereto.

"Applied Realized Loss Amount": Any Subordinated Applied Realized Loss Amount.

"Assessment of Compliance": As defined in Section 3.20(a) hereof.

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

"Assumed Final Maturity Date": As to each Class of Certificates, the date set forth as such in the Preliminary Statement.

"Attestation Report": As defined in Section 3.20(b) hereof.

"Available Funds": As to any Distribution Date, an amount equal to the excess of (i) the sum of (a) the aggregate of the Monthly Payments due during the related Collection Period and received on or prior to the related Determination Date by the Servicer, (b) Liquidation Proceeds, Insurance Proceeds, Condemnation Proceeds, Principal Prepayments, Substitution Adjustment Amounts, the Purchase Price for any repurchased Mortgage Loan, the Termination Price with respect to the termination of the Trust pursuant to Section 10.01 hereof and other unscheduled recoveries of principal and interest (excluding Prepayment Charges, Originator Prepayment Charge Payment Amounts, Servicer Prepayment Charge Payment Amounts and Prepayment Interest Excess) in respect of the Mortgage Loans during the related Prepayment Period, (c) the aggregate of any amounts received in respect of an REO Property deposited in the Collection Account for such Distribution Date, (d) any Compensating Interest for such Distribution Date, (e) the aggregate of any Advances made by the Servicer for such Distribution

Date, (f) any Reimbursement Amount or Subsequent Recovery deposited into the Collection Account during the related Prepayment Period and

(g) with respect to the Distribution Date immediately following the end of the Funding Period, any amounts in the Group 3 Pre-Funding Account after giving effect to any purchase of Additional Group 3 Mortgage Loans over (ii) the sum of

(a) amounts reimbursable or payable to the Servicer pursuant to Sections 3.05 or 6.03, (b) amounts reimbursable or payable to the Trustee pursuant to Section 8.05 or Section 9.01(c), (c) amounts payable hereunder to the Credit Risk Manager, (d) Stayed Funds, (e) the Servicing Fee and (f) amounts deposited in the Collection Account or the Distribution Account, as the case may be, in error.

"Balloon Loan": A Mortgage Loan that provides for a Balloon Payment.

"Balloon Payment": A payment of the unamortized principal balance of a Mortgage Loan in a single payment at the maturity of such Mortgage Loan that is substantially greater than the preceding Monthly Payment.

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

"Book-Entry Certificates": Any of the Certificates that shall be registered in the name of the Depository or its nominee, the ownership of which is reflected on the books of the Depository or on the books of a Person maintaining an account with the Depository (directly, as a "Depository Participant," or indirectly, as an indirect participant in accordance with the rules of the Depository and as described in Section 5.02 hereof). On the Closing Date, the Offered Certificates and Class B Certificates shall be Book-Entry Certificates.

"Business Day": Any day other than a Saturday, a Sunday or a day on which banking institutions in the State of Delaware, the State of New York, the State of Florida, the State of California, the Commonwealth of Pennsylvania or any city in which the Corporate Trust Office of the Trustee is located are authorized or obligated by law or executive order to be closed provided, however, with respect to distributions on Certificates, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to be closed.

"Cap": Any of the Group 1 Cap, the Group 2 Cap, the Group 3 Cap or the Pool Cap.

"Cap Carryover Amount": If on any Distribution Date, the Accrued Certificate Interest for any Offered Certificate and the Class B Certificates is based upon the related Cap, the excess of (i) the amount of interest such Certificate would have been entitled to receive on such Distribution Date based on the related Pass-Through Rate, over (ii) the amount of interest such Certificate received on such Distribution Date based on such related Cap, together with the unpaid portion of any such excess from prior Distribution Dates (and interest accrued thereon at the then applicable Pass-Through Rate on such Certificate).

"Cap Carryover Reserve Account": The account or accounts created and maintained pursuant to Section 4.11 hereof.

"Certificate": Any Regular Certificate, Class P Certificate or Residual Certificate.

"Certificate Custodian": Initially, Wells Fargo Bank, N.A.; thereafter any other Certificate Custodian acceptable to the Depository and selected by the Trustee.

"Certificate Interest Rate": With respect to each Distribution Date and Class of Certificates, the per annum rate described in the table under the captions "REMIC 4" and "REMIC 5" in the Preliminary Statement during the related Interest Accrual Period on the Certificate Principal Balance.

"Certificate Owner": With respect to each Book-Entry Certificate, any beneficial owner thereof.

"Certificate Principal Balance": With respect to any Class of Certificates (other than the Class CE, Class P and Residual Certificates) and any Distribution Date, the Original Certificate Principal Balance (a) reduced by the sum of (i) all amounts actually distributed in respect of principal of such Class on all prior Distribution Dates and (ii) Applied Realized Loss Amounts allocated thereto for previous Distribution Dates and (b) increased by any Subsequent Recoveries allocated to such Class for previous Distribution Dates. The Class CE, Class P and Residual Certificates do not have a Certificate Principal Balance. With respect to any Certificate (other than a Class CE, Class P or Residual Certificate) of a Class and any Distribution Date, the portion of the Certificate Principal Balance of such Class represented by such Certificate equal to the product of the Percentage Interest evidenced by such Certificate and the Certificate Principal Balance of such Class.

"Certificate Register" and "Certificate Registrar": The register maintained and registrar appointed pursuant to Section 5.02 hereof.

"Certificateholder" or "Holder": The Person in whose name a Certificate is registered in the Certificate Register, except that a Disqualified Organization or non-U.S. Person shall not be a Holder of any Residual Certificate for any purpose hereof.

"Class": Collectively, Certificates or REMIC Regular Interests which have the same priority of payment and bear the same class designation and the form of which is identical except for variation in the Percentage Interest evidenced thereby.

"Class A Certificate": Any one of the Certificates with an "A" designated on the face thereof substantially in the form annexed hereto as Exhibits A-1, A-2, A-3A, A-3B, A-3C1, A-3C2 and A-3D, executed by the Trustee on behalf of the Trust and authenticated and delivered by the Certificate Registrar, representing the right to distributions as set forth herein and therein.

"Class A Certificateholders": Collectively, the Holders of the Class A Certificates.

"Class A-1 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.140% per annum, and (ii) following the Optional Termination Date, 0.280% per annum.

"Class A-1 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class A-1 Certificate Margin and (ii) the Group 1 Maximum Rate Cap.

"Class A-2 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.140% per annum, and (ii) following the Optional Termination Date, 0.280% per annum.

"Class A-2 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class A-2 Certificate Margin and (ii) the Group 2 Maximum Rate Cap.

"Class A-3A Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.040% per annum, and (ii) following the Optional Termination Date, 0.080% per annum.

"Class A-3A Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class A-3A Certificate Margin and (ii) the Group 3 Maximum Rate Cap.

"Class A-3B Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.090% per annum, and (ii) following the Optional Termination Date, 0.180% per annum.

"Class A-3B Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class A-3B Certificate Margin and (ii) the Group 3 Maximum Rate Cap.

"Class A-3C1 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.150% per annum, and (ii) following the Optional Termination Date, 0.300% per annum.

"Class A-3C1 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class A-3C1 Certificate Margin and (ii) the Group 3 Maximum Rate Cap.

"Class A-3C2 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.150% per annum, and (ii) following the Optional Termination Date, 0.300% per annum.

"Class A-3C2 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class A-3C2 Certificate Margin and (ii) the Group 3 Maximum Rate Cap.

"Class A-3D Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.240% per annum, and (ii) following the Optional Termination Date, 0.480% per annum.

"Class A-3D Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class A-3D Certificate Margin and (ii) the Group 3 Maximum Rate Cap.

"Class B Certificates": Any one of the Certificates with a "B" designated on the face thereof substantially in the form annexed hereto as Exhibit B-10, executed by the Trustee on behalf of the Trust and authenticated and delivered by the Certificate Registrar, representing the right to distributions as set forth herein and therein.

"Class B Certificateholders": Collectively, the Holders of the Class B Certificates.

"Class B Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 2.500% per annum, and (ii) following the Optional Termination Date, 3.750% per annum.

"Class B Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class B Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class B Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the



payment of the Senior Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such Distribution Date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such Distribution Date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such Distribution Date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such Distribution Date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the payment of the Class M-5 Principal Distribution Amount on such Distribution Date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the payment of the Class M-6 Principal Distribution Amount on such Distribution Date), (viii) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the payment of the Class M-7 Principal Distribution Amount on such Distribution Date), (ix) the Certificate Principal Balance of the Class M-8 Certificates (after taking into account the payment of the Class M-8 Principal Distribution Amount on such Distribution Date), (x) the Certificate Principal Balance of the Class M-9 Certificates (after taking into account the payment of the Class M-9 Principal Distribution Amount on such Distribution Date) and (xi) the Certificate Principal Balance of the Class B Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 93.50% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class B Realized Loss Amortization Amount": As to the Class B Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class B Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (xxxi) hereof, in each case for such Distribution Date.

"Class CE Certificates": Any one of the Class CE Certificates as designated on the face thereof substantially in the form annexed hereto as Exhibit C-1, executed by the Trustee on behalf of the Trust and authenticated and delivered by the Certificate Registrar, representing the right to distributions as set forth herein and therein.

"Class CE Distributable Amount": With respect to any Distribution Date, (x) the sum of (i) the interest accrued on such Class CE Certificate at its Pass-Through Rate calculated on its Notional Amount less the amount (without duplication) of Cap Carryover Amounts, (ii) the Overcollateralization Release Amount and (iii) amounts distributable in respect of the Swap IO Interest less (y) any Net Swap Payments or Swap Termination Payments paid to the Swap Provider for such Distribution Date.

"Class CE Uncertificated Principal Balance": As of any date of determination, the Initial Overcollateralization Amount minus the sum of (i) any Realized Losses allocated thereto and (ii) any amounts distributed (or deemed distributed) to the Class CE Certificates with respect thereto.

"Class M Certificate": Any one of the Certificates with an "M" designated on the face thereof substantially in the form annexed hereto as Exhibit B-1, Exhibit B-2, Exhibit B-3, Exhibit B-4, Exhibit B-5, Exhibit B-6, Exhibit B-7, Exhibit B-8 and Exhibit B-9, executed by the Trustee on behalf of the Trust and authenticated and delivered by the Certificate Registrar, representing the right to distributions as set forth herein and therein.

"Class M Certificateholders": Collectively, the Holders of the Class M Certificates.

"Class M-1 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.280% per annum, and (ii) following the Optional Termination Date, 0.420% per annum.

"Class M-1 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class M-1 Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class M-1 Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the payment of the Senior Principal Distribution Amount on such Distribution Date) and (ii) the Certificate Principal Balance of the Class M-1 Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 55.80% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class M-1 Realized Loss Amortization Amount": As to the Class M-1 Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class M-1 Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (iv) hereof, in each case for such Distribution Date.

"Class M-2 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.290% per annum, and (ii) following the Optional Termination Date, 0.435% per annum.

"Class M-2 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class M-2 Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class M-2 Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the payment of the Senior Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such Distribution Date) and (iii) the Certificate Principal Balance of the Class M-2 Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 66.00% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class M-2 Realized Loss Amortization Amount": As to the Class M-2 Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class M-2 Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (vii) hereof, in each case for such Distribution Date.

"Class M-3 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.310% per annum, and (ii) following the Optional Termination Date, 0.465% per annum.

"Class M-3 Pass-Through Rate": For each Distribution Date, a per annum rate equal the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class M-3 Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class M-3 Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the payment of the Senior Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such Distribution Date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such Distribution Date), and (iv) the Certificate Principal Balance of the Class M-3 Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 69.70% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class M-3 Realized Loss Amortization Amount": As to the Class M-3 Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class M-3 Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (x) hereof, in each case for such Distribution Date.

"Class M-4 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.360% per annum, and (ii) following the Optional Termination Date, 0.540% per annum.

"Class M-4 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class M-4 Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class M-4 Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the payment of the Senior Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such Distribution Date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such Distribution Date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such Distribution Date) and (v) the Certificate Principal Balance of the Class M-4 Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 74.00% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class M-4 Realized Loss Amortization Amount": As to the Class M-4 Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class M-4 Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (xiii) hereof, in each case for such Distribution Date.

"Class M-5 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.380% per annum, and (ii) following the Optional Termination Date, 0.570% per annum.

"Class M-5 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class M-5 Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class M-5 Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the payment of the Senior Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such Distribution Date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such Distribution Date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such Distribution Date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such Distribution Date) and (vi) the Certificate Principal Balance of the Class M-5 Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 77.90% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class M-5 Realized Loss Amortization Amount": As to the Class M-5 Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class M-5 Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (xvi) hereof, in each case for such Distribution Date.

"Class M-6 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.430% per annum, and (ii) following the Optional Termination Date, 0.645% per annum.

"Class M-6 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class M-6 Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class M-6 Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the payment of the Senior Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such Distribution Date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such Distribution Date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such Distribution Date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such Distribution Date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the payment of the Class M-5 Principal Distribution Amount on such Distribution Date) and (vii) the Certificate Principal Balance of the Class M-6 Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 80.90% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class M-6 Realized Loss Amortization Amount": As to the Class M-6 Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class M-6 Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (xix) hereof, in each case for such Distribution Date.

"Class M-7 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.800% per annum, and (ii) following the Optional Termination Date, 1.200% per annum.

"Class M-7 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class M-7 Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class M-7 Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the payment of the Senior Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such Distribution Date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such Distribution Date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such Distribution Date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such Distribution Date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the payment of the Class M-5 Principal Distribution Amount on such Distribution Date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the payment of the Class M-6 Principal Distribution Amount on such Distribution Date) and (viii) the Certificate

Principal Balance of the Class M-7 Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 84.70% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class M-7 Realized Loss Amortization Amount": As to the Class M-7 Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class M-7 Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (xxii) hereof, in each case for such Distribution Date.

"Class M-8 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 0.920% per annum, and (ii) following the Optional Termination Date, 1.380% per annum.

"Class M-8 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class M-8 Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class M-8 Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the payment of the Senior Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such Distribution Date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such Distribution Date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such Distribution Date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such Distribution Date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the payment of the Class M-5 Principal Distribution Amount on such Distribution Date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the payment of the Class M-6 Principal Distribution Amount on such Distribution Date), (viii) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the payment of the Class M-7 Principal Distribution Amount on such Distribution Date) and (ix) the Certificate Principal Balance of the Class M-8 Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 87.00% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class M-8 Realized Loss Amortization Amount": As to the Class M-8 Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class M-8 Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (xxv) hereof, in each case for such Distribution Date.

"Class M-9 Certificate Margin": For each Distribution Date (i) on or prior to the Optional Termination Date, 1.800% per annum, and (ii) following the Optional Termination Date, 2.700% per annum.

"Class M-9 Pass-Through Rate": For each Distribution Date, a per annum rate equal to the lesser of (i) One-Month LIBOR as of the related LIBOR Determination Date, plus the Class M-9 Certificate Margin and (ii) the Pool Maximum Rate Cap.

"Class M-9 Principal Distribution Amount": As of any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (x) the sum of (i) the sum of the Certificate Principal Balances of the Class A Certificates (after taking into account the payment of the Senior Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such Distribution Date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such Distribution Date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such Distribution Date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such Distribution Date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the payment of the Class M-5 Principal Distribution Amount on such Distribution Date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the payment of the Class M-6 Principal Distribution Amount on such Distribution Date), (viii) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the payment of the Class M-7 Principal Distribution Amount on such Distribution Date), (ix) the Certificate Principal Balance of the Class M-8 Certificates (after taking into account the payment of the Class M-8 Principal Distribution Amount on such Distribution Date) and (x) the Certificate Principal Balance of the Class M-9 Certificates immediately prior to such Distribution Date over (y) the lesser of (a) the product of (i) 89.80% and (ii) the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts remaining in the Group 3 Pre-Funding Account and (b) the amount by which the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (i) 0.50% and (ii) the sum of (a) the Pool Balance on the Cut-off Date and (b) the Original Group 3 Pre-Funded Amount.

"Class M-9 Realized Loss Amortization Amount": As to the Class M-9 Certificates and as of any Distribution Date, the lesser of (x) the Unpaid Realized Loss Amount for the Class M-9 Certificates as of such Distribution Date and (y) the excess of (i) the Monthly Excess Cashflow Amount over (ii) the sum of the amounts described in Section 4.02(b)(i) through (xxviii) hereof, in each case for such Distribution Date.

"Class P Certificate": Any one of the Certificates with a "P" designated on the face thereof substantially in the form annexed hereto as Exhibit C-2, executed by the Trustee on behalf of the Trust and authenticated and delivered by the Certificate Registrar, representing the right to distributions as set forth herein and therein.

"Class R Certificate": The Class R Certificate executed by the Trustee on behalf of the Trust, and authenticated and delivered by the Certificate Registrar, substantially in the form annexed hereto as Exhibit C-3 and evidencing the ownership of the Residual Interest in each of REMIC 1, REMIC 2, REMIC 3 and REMIC 4. The Class R Certificate represents the ownership of the Class R-1 Interest, the Class R-2 Interest, the Class R-3 Interest and the Class R-4 Interest.

"Class R-X Certificate": The Class R-X Certificate executed by the Trustee on behalf of the Trust, and authenticated and delivered by the Certificate Registrar, substantially in the form annexed hereto as Exhibit C-4 and evidencing the ownership of the Residual Interest in REMIC 5.

"Class R-1 Interest": The uncertificated residual interest in **REMIC 1.**

"Class R-2 Interest": The uncertificated residual interest in **REMIC 2.**

"Class R-3 Interest": The uncertificated residual interest in **REMIC 3.**

"Class R-4 Interest": The uncertificated residual interest in **REMIC 4.**

"Closing Date": August 10, 2006.

"Code": The Internal Revenue Code of 1986, as it may be amended from time to time.

"Collection Account": The account or accounts created and maintained by the Servicer pursuant to Section 3.04(a), which shall be entitled "Collection Account, Option One Mortgage Corporation, as Servicer for the Trust under the Pooling and Servicing Agreement dated as of July 1, 2006 among Asset Backed Funding Corporation, as Depositor, Option One Mortgage Corporation, as Servicer, and Wells Fargo Bank, N.A., as Trustee, in trust for registered Holders of ABFC 2006-OPT1 Trust, Asset Backed Funding Corporation Asset-Backed Certificates, Series 2006-OPT1," and which must be an Eligible Account.

"Collection Period": With respect to any Distribution Date, the period from the second day of the calendar month preceding the month in which such Distribution Date occurs through the first day of the month in which such Distribution Date occurs.

"Combined Loan-to-Value Ratio": For any Mortgage Loan, the fraction, expressed as a percentage, the numerator of which is the sum of (i) the Principal Balance of the Mortgage Loan at origination and (ii) the principal balance of the senior mortgage loan, if any, on the date of origination of the Mortgage Loan and the denominator of which is the Value of the related Mortgaged Property.

"Commission": The United States Securities and Exchange Commission.

"Compensating Interest": As defined in Section 3.23 hereof.

"Compliance Statement": As defined in Section 3.19 hereof.

"Condemnation Proceeds": All awards or settlements in respect of a taking of a Mortgaged Property by exercise of the power of eminent domain or condemnation.

"Consulting Agreement": The Consulting Agreement, dated as of August 10, 2006, between the Credit Risk Manager and the Depositor.

"Corporate Trust Office": The principal corporate trust office of the Trustee at which at any particular time its corporate trust business in connection with this Agreement shall be administered, which office at the date of the execution of this instrument is located at (i) for certificate transfer purposes, Wells Fargo Center, Sixth Street and Marquette Avenue, Minneapolis, Minnesota, 55479-0113, Attention: Client Manager-ABFC, Series 2006-OPT1 and (ii) for all other purposes, 9062 Old Annapolis Road, Columbia, Maryland 21045, Attention: Client Manager-ABFC, Series 2006-OPT1 or at such other address as the Trustee may designate from time to time by notice to the Certificateholders, the Depositor and the Servicer.

"Corresponding Classes": With respect to REMIC 3 and REMIC 4, the following Classes shall be Corresponding Classes:

Corresponding REMIC 3 Classes	Corresponding REMIC 4 Classes
LT1A1	Class A-1 Certificates
LT1A2	Class A-2 Certificates
LT1A3A	Class A-3A Certificates
LT1A3B	Class A-3B Certificates
LT1A3C1	Class A-3C1 Certificates
LT1A3C2	Class A-3C2 Certificates
LT1A3D	Class A-3D Certificates
LT1M1	Class M-1 Certificates
LT1M2	Class M-2 Certificates
LT1M3	Class M-3 Certificates
LT1M4	Class M-4 Certificates
LT1M5	Class M-5 Certificates
LT1M6	Class M-6 Certificates
LT1M7	Class M-7 Certificates
LT1M8	Class M-8 Certificates
LT1M9	Class M-9 Certificates
LT1B	Class B Certificates

"Credit Enhancement Percentage": For any Distribution Date and any Class of Certificates, the percentage obtained by dividing (x) the sum of (i) the aggregate Certificate Principal Balance of the Class or Classes of Certificates with a lower distributions priority than such Class before taking into account the distribution of the Principal Distribution Amount on such Distribution Date and (ii) the Overcollateralization Amount after taking into account the distribution of the Principal Distribution Amount as of the prior Distribution Date by (y) the sum of the (i) Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and (ii) any amount remaining in the Group 3 Pre-Funding Account.

"Credit Risk Manager": Clayton Fixed Income Services Inc., a Colorado corporation.

"Credit Risk Manager Fee": The fee payable to the Credit Risk Manager on each Distribution Date for its services as Credit Risk Manager, in an amount equal to the product of (i) one-twelfth of the Credit Risk Manager Fee Rate and (ii) the Pool Balance as of the opening of business on the first day of the related Collection Period.

"Credit Risk Manager Fee Rate": With respect to any Distribution Date, 0.0150% per annum.

"Credit Risk Management Agreement": The Credit Risk Management Agreement between the Servicer and the Credit Risk Manager dated as of August 10, 2006.

"Cut-off Date": July 1, 2006.

"Cut-off Date Principal Balance": With respect to any Mortgage Loan, the unpaid Principal Balance thereof as of the Cut-off Date, with respect to each Initial Mortgage Loan, or as of the Subsequent Cut-off Date, with respect to each Additional Group 3 Mortgage Loan, as applicable, after application of funds received or advanced on or before such date (or as of the applicable date of substitution with respect to an Eligible Substitute 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 resulting from a Deficient Valuation.

"Deemed Material and Adverse Representation": As such term is defined in the Option One Sale Agreement.

"Defective Mortgage Loan": A Mortgage Loan replaced or to be replaced by one or more Eligible Substitute Mortgage Loans.

"Deficient Valuation": With respect to any Mortgage Loan, a valuation of the related Mortgaged Property by a court of competent jurisdiction in an amount less than the then outstanding principal balance of the Mortgage Loan, which valuation results from a proceeding initiated under the Bankruptcy Code.

"Definitive Certificates": As defined in Section 5.02(c) hereof.

"Delinquent": Any Mortgage Loan with respect to which the Monthly Payment due on a Due Date is not made by the close of business on the next scheduled Due Date for such Mortgage Loan.

"Depositor": Asset Backed Funding Corporation, a Delaware corporation, or any successor in interest.

"Depository": The initial depository shall be The Depository Trust Company, whose nominee is Cede & Co., or any other organization

registered as a "clearing agency" pursuant to Section 17A of the Exchange Act. The Depository shall initially be the registered Holder of the Book-Entry Certificates. The Depository shall at all times be a "clearing corporation" as defined in Section 8-102(3) of the Uniform Commercial Code of the State of New York.

"Depository Participant": A broker, dealer, bank or other financial institution or other person for whom from time to time a Depository effects book-entry transfers and pledges of securities deposited with the Depository.

"Determination Date": With respect to any Distribution Date, the 15th day of the calendar month in which such Distribution Date occurs or, if such 15th day is not a Business Day, the Business Day immediately preceding such 15th day.

"Directly Operate": With respect to any REO Property, the furnishing or rendering of services to the tenants thereof, the management or operation of such REO Property, the holding of such REO Property primarily for sale to customers, the performance of any construction work thereon or any use of such REO Property in a trade or business conducted by the Trust other than through an Independent Contractor; provided, however, that the Trustee (or the Servicer under this Agreement) shall not be considered to Directly Operate an REO Property solely because the Trustee (or the Servicer under this Agreement) establishes rental terms, chooses tenants, enters into or renews leases, deals with taxes and insurance, or makes decisions as to repairs or capital expenditures with respect to such REO Property.

"Disqualified Organization": A "disqualified organization" under Section 860E of the Code, which as of the Closing Date is any of: (i) the United States, any state or political subdivision thereof, any possession of the United States, any foreign government, any international organization, or any agency or instrumentality of any of the foregoing, (ii) any organization (other than a cooperative described in Section 521 of the Code) which is exempt from the tax imposed by Chapter 1 of the Code unless such organization is subject to the tax imposed by Section 511 of the Code, (iii) any organization described in Section 1381(a)(2)(C) of the Code, or (iv) any other Person so designated by the Trustee based upon an Opinion of Counsel provided by nationally recognized counsel to the Trustee that the holding of an ownership interest in a Residual Certificate by such Person may cause the Trust Fund or any Person having an ownership interest in any Class of Certificates (other than such Person) to incur liability for any federal tax imposed under the Code that would not otherwise be imposed but for the transfer of an ownership interest in a Residual Certificate to such Person. A corporation will not be treated as an instrumentality of the United States or of any state or political subdivision thereof if all of its activities are subject to tax and a majority of its board of directors is not selected by a governmental unit. The term "United States," "state" and "international organization" shall have the meanings set forth in Section 7701 of the Code.

"Distribution Account": The trust account or accounts created and maintained by the Trustee pursuant to Section 3.04(b), which shall be entitled "Distribution Account, Wells Fargo Bank, N.A., as Trustee, in trust for the registered Holders of ABFC 2006-OPT1 Trust, Asset Backed Funding Corporation Asset-Backed Certificates, Series 2006-OPT1" and which must be an Eligible Account.

"Distribution Date": The 25th day of any calendar month, or if such 25th day is not a Business Day, the Business Day immediately following such 25th day, commencing in August 2006.

"Distribution Date Statement": As defined in Section 4.06(a) hereof.

"Due Date": With respect to each Mortgage Loan and any Distribution Date, the day of the calendar month in which such Distribution Date occurs on which the Monthly Payment for such Mortgage Loan was due, exclusive of any grace period.

"Eligible Account": Any of (i) an account or accounts maintained with a federal or state chartered depository institution or trust company the short-term unsecured debt obligations of which (or, in the case of a depository institution or trust company that is the principal subsidiary of a holding company, the short-term unsecured debt obligations of such holding company) are rated "A-1+" by S&P, "F-1+" by Fitch or "P-1" by Moody's (or comparable ratings if S&P, Fitch and Moody's are not the Rating Agencies) by each of the Rating Agencies at the time any amounts are held on deposit therein, (ii) an account or accounts the deposits in which are fully insured by the FDIC, (iii) a trust account or accounts maintained with the trust department of a federal or state chartered depository institution, national banking association or trust company acting in its fiduciary capacity or (iv) an account otherwise acceptable to each Rating Agency without reduction or withdrawal of their then current ratings of the Certificates as evidenced by a letter from each Rating Agency to the Trustee and the NIMS Insurer. Eligible Accounts may bear interest.

"Eligible Investments": Any one or more of the following obligations or securities acquired at a purchase price of not greater than par, regardless of whether issued or managed by the Depositor, the Servicer, the NIMS Insurer, the Trustee or any of their respective Affiliates or for which an Affiliate of the Trustee serves as an advisor:

(i) direct obligations of, or obligations fully guaranteed as to timely payment of 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) (A) demand and time deposits in, certificates of deposit of, bankers' acceptances issued by or federal funds sold by any depository institution or trust company (including the Trustee or its agents acting in their respective commercial capacities) incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal and/or state authorities, so long as, at the time of such investment or contractual commitment providing for such investment, such depository institution or trust company or its ultimate parent has a short-term unsecured debt rating in one of the two highest available rating categories of S&P and the highest available

rating category of Fitch and provided that each such investment has an original maturity of no more than 365 days and (B) any other demand or time deposit or deposit which is fully insured by the FDIC;

(iii) repurchase obligations with a term not to exceed 30 days with respect to any security described in clause (i) above and entered into with a depository institution or trust company (acting as principal) rated A or higher by S&P, A+ or higher by Fitch and A2 or higher by Moody's, provided, however, that collateral transferred pursuant to such repurchase obligation must be of the type described in clause (i) above and must (A) be valued daily at current market prices plus accrued interest or (B) pursuant to such valuation, be equal, at all times, to 105% of the cash transferred by the Trustee in exchange for such collateral and (C) be delivered to the Trustee or, if the Trustee is supplying the collateral, an agent for the Trustee, in such a manner as to accomplish perfection of a security interest in the collateral by possession of certificated securities;

(iv) securities bearing interest or sold at a discount that are issued by any corporation incorporated under the laws of the United States of America or any State thereof and that are rated by each Rating Agency in its highest long-term unsecured rating categories at the time of such investment or contractual commitment providing for such investment;

(v) commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than 30 days after the date of acquisition thereof) that is rated by each Rating Agency in its highest short-term unsecured debt rating available at the time of such investment;

(vi) units of money market funds registered under the Investment Company Act of 1940 (including funds managed or advised by the Trustee or affiliates thereof) that, if rated by each Rating Agency, are rated in its highest rating category (if so rated by such Rating Agency); and

(vii) if previously confirmed in writing to the Trustee and consented to by the NIMS Insurer, any other demand, money market or time deposit, or any other obligation, security or investment, as may be acceptable to the Rating Agencies in writing as an eligible investment of funds backing securities having ratings equivalent to its highest initial rating of the Senior Certificates;

provided, that no instrument described hereunder shall evidence either the right to receive (a) only interest with respect to the obligations underlying such instrument or (b) both principal and interest payments derived from obligations underlying such instrument and the interest and principal payments with respect to such instrument provide a yield to maturity at par greater than 120% of the yield to maturity at par of the underlying obligations.

"Eligible Substitute Mortgage Loan": A mortgage loan substituted for a Defective Mortgage Loan pursuant to the terms of this Agreement which must, on the date of such substitution, (i) have an outstanding principal balance (or in the case of a substitution of more than one Mortgage Loan for a Defective Mortgage Loan, an aggregate principal balance) not in excess of the then outstanding principal balance of the Defective Mortgage Loan as of the Due Date in the calendar month during which the substitution occurs, (ii) be of the same type (fixed-rate or adjustable-rate) and have a Mortgage Interest Rate not less than the Mortgage Interest Rate of the Defective Mortgage Loan and not more than 2% in excess of the Mortgage Interest Rate of such Defective Mortgage Loan and, with respect to an Adjustable-Rate Mortgage Loan, have the same Index as the Defective Mortgage Loan and have a Gross Margin equal to or greater than the Defective Mortgage Loan, (iii) have a FICO Score not less than the Defective Mortgage Loan, (iv) have a remaining term to maturity not more than one year earlier and not later than the remaining term to maturity of the Defective Mortgage Loan, (v) have a Combined Loan-to-Value Ratio as of the date of substitution not greater than the Combined Loan-to-Value Ratio of the Defective Mortgage Loan as of such date, (vi) have a Prepayment Charge at least equal in amount of that of the Defective Mortgage Loan and (vii) conform to each representation and warranty set forth in the applicable section of the applicable Originator Mortgage Loan Purchase Agreement and Section 3.01 of the Mortgage Loan Purchase Agreement applicable to the Defective Mortgage Loan. In the event that one or more mortgage loans are substituted for one or more Defective Mortgage Loans, the amounts described in clause (i) hereof shall be determined on the basis of aggregate principal balance, the Mortgage Interest Rates described in clause (ii) hereof shall be determined on the basis of weighted average Mortgage Interest Rates, the terms described in clause (iv) hereof shall be determined on the basis of weighted average remaining term to maturity, the Combined Loan-to-Value Ratios described in clause (v) hereof shall be satisfied as to each such mortgage loan and, except to the extent otherwise provided in this sentence, the representations and warranties described in clause (vii) hereof must be satisfied as to each Eligible Substitute Mortgage Loan or in the aggregate, as the case may be. Any Defective Mortgage Loan that is a Group 1 Mortgage Loan, Group 2 Mortgage Loan or Group 3 Mortgage Loan must be replaced by an Eligible Substitute Mortgage Loan that will be a Group 1 Mortgage Loan, Group 2 Mortgage Loan or Group 3 Mortgage Loan, as applicable.

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

"ERISA-Restricted Certificates": Any of the Class B, Class CE, Class P and Residual Certificates.

"Escrow Account": The account or accounts created and maintained pursuant to Section 3.06.

"Escrow Payments": The amounts constituting ground rents, taxes, assessments, water rates, mortgage insurance premiums, fire and hazard insurance premiums and other payments required to be escrowed by the Mortgagor with the mortgagee pursuant to any Mortgage Loan.

"Estate in Real Property": A fee simple estate in a parcel of real property.

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



"Expense Fee Rate": The sum of (i) the Servicing Fee Rate and (ii) the Credit Risk Manager Fee Rate.

"Extended Period": As defined in Section 9.04(b) hereof.

"Extra Principal Distribution Amount": As of any Distribution Date, the lesser of (x) the Monthly Excess Interest Amount for such Distribution Date and (y) the Overcollateralization Deficiency for such Distribution Date.

"FDIC": Federal Deposit Insurance Corporation or any successor thereto.

"Fidelity Bond": As defined in Section 3.12 hereof.

"Final Recovery Determination": With respect to any defaulted Mortgage Loan or any REO Property (other than a Mortgage Loan or REO Property (i) purchased by the applicable Originator or the Seller pursuant to or as contemplated by Section 2.03 or (ii) purchased by the Majority Class CE Certificateholders or the Servicer pursuant to Section 10.01), a determination made by the Servicer that all Insurance Proceeds, Condemnation Proceeds, Liquidation Proceeds and other payments or recoveries which the Servicer, in its reasonable good faith judgment, expects to be finally recoverable in respect thereof have been so recovered. The Servicer shall maintain records, prepared by a Servicing Officer, of each Final Recovery Determination made thereby.

"Fitch": Fitch Ratings and its successors, and if such company shall for any reason no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other "nationally recognized statistical rating organization" as set forth on the most current list of such organizations released by the Commission.

"Fixed-Rate Mortgage Loan": A Mortgage Loan which has a constant annual rate at which interest accrues in accordance with the provisions of the related Mortgage Note.

"Fixed Swap Payment": With respect to any Distribution Date, an amount equal to the product of (x) 5.345%, (y) the notional amount for that Distribution Date set forth in the Interest Rate Swap Agreement and (z) a fraction, the numerator of which is 30 (or, for the first Distribution Date, the number of days elapsed from the Closing Date to but excluding the first Distribution Date), and the denominator of which is 360.

"Floating Swap Payment": With respect to any Distribution Date, an amount equal to the product of (i) Swap LIBOR, (ii) the notional amount for that Distribution Date set forth in the Interest Rate Swap Agreement and (iii) a fraction, the numerator of which is the actual number of days elapsed from and including the previous Distribution Date to but excluding the current Distribution Date (or, for the first Distribution Date, the actual number of days elapsed from the Closing Date to but excluding the first Distribution Date), and the denominator of which is 360.

"Foreclosure Price": The amount reasonably expected to be received from the sale of the related Mortgaged Property net of any expenses associated with foreclosure proceedings.

"Form 8-K": As defined in Section 3.31(a) hereof.

"Form 8-K Information": As defined in Section 3.31(d) hereof.

"Form 10-D": As defined in Section 3.31(a) hereof.

"Form 10-K": As defined in Section 3.31(a) hereof.

"Funding Period": The period beginning on the Closing Date and ending on the earlier to occur of (a) the date upon which the amount on deposit in the Group 3 Pre-Funding Account has been reduced to zero or (b) August 30, 2006.

"Grantor Trust": That portion of the Trust exclusive of any REMIC created hereunder consisting of (a) the Prepayment Charges, any Originator Prepayment Charge Payment Amounts and any Servicer Prepayment Charge Payment Amounts and the right of the Class P Certificateholders to receive such Prepayment Charges, Originator Prepayment Charge Payment Amounts and Servicer Prepayment Charge Payment Amounts, (b) the right of the Offered Certificates and the Class B Certificates to receive Cap Carryover Amounts, (c) the Interest Rate Swap Agreement, the Swap Account, the Cap Carryover Reserve Account and the beneficial interest of the Class CE Certificates with respect thereto, (d) the Group 3 Pre-Funding Account and (e) the obligation of the Class CE Certificates to pay Cap Carryover Amounts.

"Gross Margin": With respect to each Adjustable-Rate Mortgage Loan, the fixed percentage set forth in the related Mortgage Note that is added to the Index on each Adjustment Date in accordance with the terms of the related Mortgage Note used to determine the Mortgage Interest Rate for such Mortgage Loan.

"Group 1 Cap": For any Distribution Date and for the Class A-1 Certificates, (a) a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the Weighted Average Net Mortgage Interest Rate for the Group 1

(b) a percentage, expressed as a per annum rate (subject to an adjustment based on the actual number of days elapsed in the related Interest Accrual Period), calculated as a fraction, the numerator of which is the sum of (i) any Net Swap Payment owed to the Swap Provider and (ii) any Swap Termination Payment owed to the Swap Provider (other than any Swap Termination Payment resulting from a Swap Provider Trigger Event) and the denominator of which is the Pool Balance as of the first day of the related Collection Period.

"Group 1 Interest Remittance Amount": As of any Distribution Date, the excess of (A) the sum, without duplication, of (i) all interest due and collected or advanced with respect to the related Collection Period on the Group 1 Mortgage Loans received by the Servicer on or prior to the Determination Date for such Distribution Date (less the Servicing Fee for such Mortgage Loans, amounts available for reimbursement of Advances and Servicing Advances pursuant to Section 3.05, expenses reimbursable pursuant to Section 6.03 and indemnification payments pursuant to Sections 3.26 and 8.05), (ii) all Compensating Interest paid by the Servicer on the related Distribution Date with respect to the Group 1 Mortgage Loans, (iii) the portion of any payment in connection with any Principal Prepayment (other than any Prepayment Interest Excess), substitution, Purchase Price, Termination Price, Insurance Proceeds or Net Liquidation Proceeds relating to interest with respect to the Group 1 Mortgage Loans received during the related Prepayment Period and (iv) the portion of any Reimbursement Amount relating to interest on such Mortgage Loans received during the related Prepayment Period over (B) the product of (x) any amounts payable to the Swap Provider (including any Net Swap Payment and any Swap Termination Payment owed to the Swap Provider but excluding any Swap Termination Payment owed to the Swap Provider resulting from a Swap Provider Trigger Event) and (y) a fraction, the numerator of which is the aggregate Principal Balance of the Group 1 Mortgage Loans as of the first day of the related Collection Period and the denominator of which is equal to the Pool Balance as of the first day of the related Collection Period.

"Group 1 Maximum Rate Cap": As of any Distribution Date and the Class A-1 Certificates, (a) a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the Weighted Average Net Maximum Mortgage Interest Rates for the Group 1 Mortgage Loans minus (b) a percentage, expressed as a per annum rate (subject to an adjustment based on the actual number of days elapsed in the related Interest Accrual Period), calculated as a fraction, the numerator of which is the sum of (i) any Net Swap Payment owed to the Swap Provider and (ii) any Swap Termination Payment owed to the Swap Provider (other than any Swap Termination Payment resulting from a Swap Provider Trigger Event), and the denominator of which is equal to the Pool Balance as of the first day of the related Collection Period plus (c) a percentage, expressed as a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period), calculated as a fraction, the numerator of which is equal to any Net Swap Payment made by the Swap Provider and the denominator of which is equal to the Pool Balance as of the first day of the related Collection Period.

"Group 1 Mortgage Loan": The Initial Group 1 Mortgage Loans.

"Group 1 Principal Percentage": With respect to any Distribution Date and the Class A-1 Certificates, the percentage equivalent to a fraction, the numerator of which is the Principal Remittance Amount allocable to the Group 1 Mortgage Loans for such Distribution Date and the denominator of which is the Principal Remittance Amount allocable to the Mortgage Loans for such Distribution Date.

"Group 1 Senior Principal Distribution Amount": With respect to any Distribution Date (i) before the Stepdown Date or as to which a Trigger Event is in effect, the Group 1 Principal Percentage of the Principal Distribution Amount (excluding any amount included in the Principal Distribution Amount pursuant to clause (iii) of the definition thereof) and (ii) on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (a) the Certificate Principal Balance of the Class A-1 Certificates immediately prior to that Distribution Date over (b) the lesser of (x) the product of (1) 45.20% and (2) the aggregate Principal Balance of the Group 1 Mortgage Loans as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and (y) the amount by which the aggregate Principal Balance of the Group 1 Mortgage Loans as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (1) 0.50% and (2) the aggregate Principal Balance of the Group 1 Mortgage Loans on the Cut-off Date.

"Group 2 Cap": For any Distribution Date and for the Class A-2 Certificates, (a) a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the Weighted Average Net Mortgage Interest Rate for the Group 2 Mortgage Loans, minus (b) a percentage, expressed as a per annum rate (subject to an adjustment based on the actual number of days elapsed in the related Interest Accrual Period), calculated as a fraction, the numerator of which is the sum of (i) any Net Swap Payment owed to the Swap Provider and (ii) any Swap Termination Payment owed to the Swap Provider (other than any Swap Termination Payment resulting from a Swap Provider Trigger Event) and the denominator of which is the Pool Balance as of the first day of the related Collection Period.

"Group 2 Interest Remittance Amount": As of any Distribution Date, the excess of (A) the sum, without duplication, of (i) all interest due and collected or advanced with respect to the related Collection Period on the Group 2 Mortgage Loans received by the Servicer on or prior to the Determination Date for such Distribution Date (less the Servicing Fee for such Mortgage Loans, amounts available for reimbursement of Advances and Servicing Advances pursuant to Section 3.05, expenses reimbursable pursuant to Section 6.03 and indemnification payments pursuant to Sections 3.26 and 8.05), (ii) all Compensating Interest paid by the Servicer on the related Distribution Date with respect to the Group 2 Mortgage Loans, (iii) the portion of any payment in connection with any Principal Prepayment (other than any Prepayment Interest Excess), substitution, Purchase Price, Termination Price, Insurance Proceeds or Net Liquidation Proceeds relating to interest with respect to the Group 2 Mortgage Loans received during the related Prepayment Period and (iv) the portion of any Reimbursement Amount relating to interest on such Mortgage Loans received during the related Prepayment Period over (B) the product of (x) any amounts payable to the Swap Provider (including any Net Swap Payment and any Swap Termination Payment owed to the Swap Provider but excluding any Swap Termination Payment owed to the Swap Provider resulting from a Swap Provider Trigger Event) and (y) a fraction, the numerator of which is the aggregate

Principal Balance of the Group 2 Mortgage Loans as of the first day of the related Collection Period and the denominator of which is equal to the Pool Balance as of the first day of the related Collection Period.

"Group 2 Maximum Rate Cap": As of any Distribution Date and the Class A-2 Certificates, (a) a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the Weighted Average Net Maximum Mortgage Interest Rates for the Group 2 Mortgage Loans minus (b) a percentage, expressed as a per annum rate (subject to an adjustment based on the actual number of days elapsed in the related Interest Accrual Period), calculated as a fraction, the numerator of which is the sum of (i) any Net Swap Payment owed to the Swap Provider and (ii) any Swap Termination Payment owed to the Swap Provider (other than any Swap Termination Payment resulting from a Swap Provider Trigger Event), and the denominator of which is equal to the Pool Balance as of the first day of the related Collection Period plus (c) a percentage, expressed as a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period), calculated as a fraction, the numerator of which is equal to any Net Swap Payment made by the Swap Provider and the denominator of which is equal to the Pool Balance as of the first day of the related Collection Period.

"Group 2 Mortgage Loan": The Initial Group 2 Mortgage Loans.

"Group 2 Principal Percentage": With respect to any Distribution Date and the Class A-2 Certificates, the percentage equivalent to a fraction, the numerator of which is the Principal Remittance Amount allocable to the Group 2 Mortgage Loans for such Distribution Date and the denominator of which is the Principal Remittance Amount allocable to the Mortgage Loans for such Distribution Date.

"Group 2 Senior Principal Distribution Amount": With respect to any Distribution Date (i) before the Stepdown Date or as to which a Trigger Event is in effect, the Group 2 Principal Percentage of the Principal Distribution Amount (excluding any amount included in the Principal Distribution Amount pursuant to clause (iii) of the definition thereof) and (ii) on or after the Stepdown Date and as long as a Trigger Event is not in effect, the excess of (a) the aggregate Certificate Principal Balance of the Class A-2 Certificates immediately prior to that Distribution Date over (b) the lesser of (x) the product of (1) 45.20% and (2) the aggregate Principal Balance of the Group 2 Mortgage Loans as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and (y) the amount by which the aggregate Principal Balance of the Group 2 Mortgage Loans as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (1) 0.50% and (2) the aggregate Principal Balance of the Group 2 Mortgage Loans on the Cut-off Date.

"Group 3 Cap": For any Distribution Date and for the Class A-3A, Class A-3B, A-3C1, Class A-3C2 and Class A-3D Certificates, (a) a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the Weighted Average Net Mortgage Interest Rate for the Group 3 Mortgage Loans minus (b) a percentage, expressed as a per annum rate (subject to an adjustment based on the actual number of days elapsed in the related Interest Accrual Period), calculated as a fraction, the numerator of which is the sum of (i) the Net Swap Payment owed to the Swap Provider and (ii) any Swap Termination Payment owed to the Swap Provider (other than any Swap Termination Payment resulting from a Swap Provider Trigger Event) and the denominator of which is the Pool Balance as of the first day of the related Collection Period.

"Group 3 Interest Remittance Amount": As of any Distribution Date, the excess of (A) the sum, without duplication, of (i) all interest due and collected or advanced with respect to the related Collection Period on the Group 3 Mortgage Loans received by the Servicer on or prior to the Determination Date for such Distribution Date (less the Servicing Fee for such Mortgage Loans, amounts available for reimbursement of Advances and Servicing Advances pursuant to Section 3.05, expenses reimbursable pursuant to Section 6.03 and indemnification payments pursuant to Sections 3.26 and 8.05), (ii) all Compensating Interest paid by the Servicer on the related Distribution Date with respect to the Group 3 Mortgage Loans, (iii) the portion of any payment in connection with any Principal Prepayment (other than any Prepayment Interest Excess), substitution, Purchase Price, Termination Price, Insurance Proceeds or Net Liquidation Proceeds relating to interest with respect to the Group 3 Mortgage Loans received during the related Prepayment Period and (iv) the portion of any Reimbursement Amount relating to interest on such Mortgage Loans received during the related Prepayment Period over (B) the product of (x) any amounts payable to the Swap Provider (including any Net Swap Payment and any Swap Termination Payment owed to the Swap Provider but excluding any Swap Termination Payment owed to the Swap Provider resulting from a Swap Provider Trigger Event) and (y) a fraction, the numerator of which is the aggregate Principal Balance of the Group 3 Mortgage Loans as of the first day of the related Collection Period and the denominator of which is equal to the Pool Balance as of the first day of the related Collection Period.

"Group 3 Maximum Rate Cap": As of any Distribution Date and the Class A-3A, Class A-3B, A-3C1, Class A-3C2 and Class A-3D Certificates, (a) a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the Weighted Average Net Maximum Mortgage Interest Rates for the Group 3 Mortgage Loans, minus (b) a percentage, expressed as a per annum rate (subject to an adjustment based on the actual number of days elapsed in the related Interest Accrual Period), calculated as a fraction, the numerator of which is the sum of (i) any Net Swap Payment owed to the Swap Provider and (ii) any Swap Termination Payment owed to the Swap Provider (other than any Swap Termination Payment resulting from a Swap Provider Trigger Event), and the denominator of which is equal to the Pool Balance as of the first day of the related Collection Period plus (c) a percentage, expressed as a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period), calculated as a fraction, the numerator of which is equal to any Net Swap Payment made by the Swap Provider and the denominator of which is equal to the Pool Balance as of the first day of the related Collection Period.

"Group 3 Mortgage Loan": The Initial Group 3 Mortgage Loans and any Additional Group 3 Mortgage Loans.

"Group 3 Pre-Funding Account": The account established and maintained pursuant to Section 4.10.

"Group 3 Principal Percentage": With respect to any Distribution Date and the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, the percentage equivalent to a fraction, the numerator of which is the Principal Remittance Amount allocable to the Group 3 Mortgage Loans for such Distribution Date and the denominator of which is the Principal Remittance Amount allocable to the Mortgage Loans for such Distribution Date.

"Group 3 Senior Principal Distribution Amount": With respect to any Distribution Date (i) before the Stepdown Date or as to which a Trigger Event is in effect, the sum of (a) the Group 3 Principal Percentage of the Principal Distribution Amount (excluding any amount included in the Principal Distribution Amount pursuant to clause (iii) of the definition thereof) and (b) on the Distribution Date immediately following the end of the Funding Period, any amount remaining in the Group 3 Pre-Funding Account after giving effect to any purchase of Additional Group 3 Mortgage Loans and (ii) on or after the Stepdown Date and as long as a Trigger Event is not in effect, the sum of (a) the excess of (I) the sum of the Certificate Principal Balances of the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates immediately prior to that Distribution Date over (II) the lesser of (x) the product of (1) 45.20% and (2) the sum of (A) the aggregate Principal Balance of the Group 3 Mortgage Loans as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and (B) any amounts remaining in the Group 3 Pre-Funding Account and (y) the amount by which the aggregate Principal Balance of the Group 3 Mortgage Loans as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period exceeds the product of (1) 0.50% and (2) the sum of (A) the aggregate Principal Balance of the Group 3 Mortgage Loans on the Cut-off Date and (B) the Original Group 3 Pre-Funded Amount and (b) on the Distribution Date immediately following the end of the Funding Period, any amount remaining in the Group 3 Pre-Funding Account after giving effect to any purchase of Additional Group 3 Mortgage Loans.

"Group Subordinate Amount" for any Distribution Date and (i) the Group 1 Mortgage Loans, will be equal to the excess of the aggregate Principal Balance of the Group 1 Mortgage Loans as of the first day of the related Collection Period over the Certificate Principal Balance of the Class A-1 Certificates immediately prior to such Distribution Date, (ii) the Group 2 Mortgage Loans, will be equal to the excess of the aggregate Principal Balance of the Group 2 Mortgage Loans as of the first day of the related Collection Period over the Certificate Principal Balance of the Class A-2 Certificates immediately prior to such Distribution Date and (iii) the Group 3 Mortgage Loans, will be equal to the excess of (a) the sum of the aggregate Principal Balance of the Group 3 Mortgage Loans as of the first day of the related Collection Period and the amount (if any) in the Group 3 Pre-Funding Account over (b) the aggregate Certificate Principal Balance of the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates immediately prior to such Distribution Date.

"Indenture": An indenture relating to the issuance of net interest margin notes secured by the Class CE Certificates and the Class P Certificates, which may or may not be guaranteed by the NIMS Insurer.

"Independent": When used with respect to any specified Person, any such Person who (i) is in fact independent of the Depositor, the Servicer and their respective Affiliates, (ii) does not have any direct financial interest in or any material indirect financial interest in the Depositor or the Servicer or any Affiliate thereof, and (iii) is not connected with the Depositor or the Servicer or any Affiliate thereof as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions; provided, however, that a Person shall not fail to be Independent of the Depositor or the Servicer or any Affiliate thereof merely because such Person is the beneficial owner of 1% or less of any class of securities issued by the Depositor or the Servicer or any Affiliate thereof, as the case may be.

"Independent Contractor": Either (i) any Person (other than the Servicer) that would be an "independent contractor" with respect to the Trust Fund within the meaning of Section 856(d)(3) of the Code if the Trust Fund were a real estate investment trust (except that the ownership tests set forth in that section shall be considered to be met by any Person that owns, directly or indirectly, 35 percent or more of any Class of Certificates), so long as the Trust Fund does not receive or derive any income from such Person and provided that the relationship between such Person and the Trust Fund is at arm's length, all within the meaning of Treasury Regulations Section 1.856-4(b)(5), or (ii) any other Person (including the Servicer) if the Trustee has received an Opinion of Counsel, which Opinion of Counsel shall be an expense of the Trust Fund, to the effect that the taking of any action in respect of any REO Property by such Person, subject to any conditions therein specified, that is otherwise herein contemplated to be taken by an Independent Contractor will not cause such REO Property to cease to qualify as "foreclosure property" within the meaning of Section 860G(a)(8) of the Code (determined without regard to the exception applicable for purposes of Section 860D(a) of the Code), or cause any income realized in respect of such REO Property to fail to qualify as Rents from Real Property.

"Index": With respect to each Adjustable-Rate Mortgage Loan and with respect to each related Adjustment Date, the index as specified in the related Mortgage Note.

"Initial Certificate Principal Balance": With respect to any Certificate of a Class other than a Class CE, Class P or Residual Certificate, the amount designated "Initial Certificate Principal Balance" on the face thereof.

"Initial Group 1 Mortgage Loan": Each Group 1 Mortgage Loan included in the Trust Fund on the Closing Date and listed on the Mortgage Loan Schedule. The aggregate Principal Balance of the Initial Group 1 Mortgage Loans as of the Cut-off Date is equal to \$230,065,449.86.

"Initial Group 2 Mortgage Loan": Each Group 2 Mortgage Loan included in the Trust Fund on the Closing Date and listed on Mortgage Loan Schedule. The aggregate Principal Balance of the Initial Group 2 Mortgage Loans as of the Cut-off Date is equal to \$229,953,819.39.

"Initial Group 3 Mortgage Loan": Each Group 3 Mortgage Loan included in the Trust Fund on the Closing Date and listed on Mortgage Loan Schedule. The aggregate Principal Balance of the Initial Group 3 Mortgage Loans as of the Cut-off Date is equal to \$528,008,647.09.

"Initial Mortgage Loan": Any of the Initial Group 1 Mortgage Loans, Initial Group 2 Mortgage Loans or Initial Group 3 Mortgage Loans.

"Initial Overcollateralization Amount": \$35,170,766.21.

"Interest Rate Swap Agreement": The 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of August 10, 2006 (together with the schedule thereto, the Master Agreement) between Bank of America, National Association and the Trustee, and a confirmation of the same date, which supplements and forms part of the Master Agreement, substantially in the form attached hereto as Exhibit N.

"Insurance Proceeds": Proceeds of any title policy, hazard policy or other insurance policy covering a Mortgage Loan, to the extent such proceeds are not to be applied to the restoration of the related Mortgaged Property or released to the Mortgagor in accordance with the procedures that the Servicer would follow in servicing mortgage loans held for its own account, subject to the terms and conditions of the related Mortgage Note and Mortgage.

"Interest Accrual Period": With respect to any Distribution Date and the Offered Certificates and the Class B Certificates, the period from the preceding Distribution Date to the day prior to the current Distribution Date (or, in the case of the first Distribution Date, the period from the Closing Date through August 25, 2006).

"Interest Carry Forward Amount": For any Class of Certificates (other than the Class CE, Class P and Residual Certificates) and any Distribution Date, the sum of (a) the excess, if any, of the Accrued Certificate Interest for such Distribution Date over the amount in respect of interest actually distributed on such Class for such Distribution Date, (b) any remaining unpaid Interest Carry Forward Amount from prior Distribution Dates and (c) interest on such remaining Interest Carry Forward Amount referred to in clause (b) at the applicable Certificate Interest Rate on the basis of the actual number of days elapsed since the prior Distribution Date.

"Interest Percentage": With respect to any Class of Certificates and any Distribution Date, the ratio (expressed as a decimal carried to six places) of the Accrued Certificate Interest for such Class to the sum of the Accrued Certificate Interest for all Classes, in each case with respect to such Distribution Date, without regard to shortfalls caused by the Relief Act or similar state laws.

"Interest Remittance Amount": As of any Determination Date, the sum of the Group 1 Interest Remittance Amount, the Group 2 Interest Remittance Amount and the Group 3 Interest Remittance Amount.

"Late Collections": With respect to any Mortgage Loan, all amounts received subsequent to the Determination Date immediately following any related Collection Period, whether as late payments of Monthly Payments or as Insurance Proceeds, Condemnation Proceeds, Liquidation Proceeds or otherwise, which represent late payments or collections of principal and/or interest due (without regard to any acceleration of payments under the related Mortgage and Mortgage Note) but delinquent on a contractual basis for such Collection Period and not previously recovered.

"LIBOR Business Day": Any day on which banks in London, England and The City of New York are open and conducting transactions in foreign currency and exchange.

"LIBOR Determination Date": With respect to the Offered Certificates and the Class B Certificates, (i) for the first Distribution Date, the second LIBOR Business Day preceding the Closing Date and (ii) for each subsequent Distribution Date, the second LIBOR Business Day prior to the immediately preceding Distribution Date.

"Liquidated Mortgage Loan": As to any Distribution Date, any Mortgage Loan in respect of which the Servicer has determined, in accordance with the servicing procedures specified herein, as of the end of the related Prepayment Period, that all Liquidation Proceeds, Condemnation Proceeds and Insurance Proceeds which it expects to recover with respect to the liquidation of the Mortgage Loan or disposition of the related REO Property have been recovered.

"Liquidation Proceeds": The amount (other than amounts received in respect of the rental of any REO Property prior to REO Disposition) received by the Servicer in connection with (i) the taking of all or a part of a Mortgaged Property by exercise of the power of eminent domain or condemnation or (ii) the liquidation of a defaulted Mortgage Loan by means of a trustee's sale, foreclosure sale or otherwise.

"Liquidation Report": The report with respect to a Liquidated Mortgage Loan in such form as is agreed to by the Servicer and the Trustee listing (i) the sale price of the related Mortgaged Property or amount of the REO Disposition, (ii) the amount of any Realized Loss (or gain) with respect to such Liquidated Mortgage Loan, (iii) the expenses relating to the liquidation of such Liquidated Mortgage Loan and (iv) such other information as is agreed to by the Servicer and the Trustee.

"Loan Group": Any of Loan Group 1, Loan Group 2 or Loan Group 3.

"Loan Group 1": The Group 1 Mortgage Loans.

"Loan Group 2": The Group 2 Mortgage Loans.

"Loan Group 3": The Group 3 Mortgage Loans.

"Losses": As defined in Section 9.03.

"Lost Note Affidavit": With respect to any Mortgage Loan as to which the original Mortgage Note has been permanently lost or destroyed and has not been replaced, an affidavit from the Seller certifying that the original Mortgage Note has been lost, misplaced or destroyed (together with a copy of the related Mortgage Note and indemnifying the Trust against any loss, cost or liability resulting from the failure to deliver the original Mortgage Note) in the form of Exhibit H hereto.

"Majority Certificateholders": The Holders of Certificates evidencing at least 51% of the Voting Rights.

"Majority Class CE Certificateholders": The Holders of Class CE Certificates evidencing at least a 51% Percentage Interest in the Class CE Certificates.

"Marker Rate": With respect to the Class CE Certificates and any Distribution Date, a per annum rate equal to two (2) times the weighted average of the Uncertificated REMIC Pass-Through Rates for REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9, REMIC 3 Regular Interest LT1B and REMIC 3 Regular Interest LT1ZZ, (i) with the rate on each such REMIC Regular Interest (other than REMIC 3 Regular Interest LT1ZZ) subject to a cap equal to the REMIC 4 Pass-Through Rate of its Corresponding Class (taking into account in determining any such Pass-Through Rate the imposition of the Group 1 Cap, the Group 2 Cap, the Group 3 Cap or the Pool Cap, as applicable, calculated as described in the definition of REMIC 4 Pass-Through Rate) for the purposes of this calculation and (ii) with the rate on REMIC 3 Regular Interest LT1ZZ subject to a cap of zero for the purpose of this calculation; provided, however, that for this purpose, calculations of the Uncertificated REMIC 3 Pass-Through Rate and the related caps with respect to each such REMIC Regular Interest (other than REMIC 3 Regular Interest LT1ZZ) shall be multiplied by a fraction, the numerator of which is the actual number of days in the Interest Accrual Period and the denominator of which is 30.

"Maximum LT1ZZ Uncertificated Accrued Interest Deferral Amount":

With respect to any Distribution Date, the excess of (a) accrued interest at the Uncertificated REMIC 3 Pass-Through Rate applicable to REMIC 3 Regular Interest LT1ZZ for such Distribution Date on a balance equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1ZZ minus the REMIC 3 Overcollateralized Amount, in each case for such Distribution Date, over (b) Uncertificated Accrued Interest on REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9 and REMIC 3 Regular Interest LT1B, each subject to a cap equal to the REMIC 4 Pass-Through Rate of the related Corresponding Class for the purpose of this calculation; provided, however, that for this purpose, calculations of the Uncertificated REMIC 3 Pass-Through Rate and the related caps with respect to Uncertificated Accrued Interest on REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9 and REMIC 3 Regular Interest LT1B shall be multiplied by a fraction, the numerator of which is the actual number of days in the Interest Accrual Period and the denominator of which is 30.

"Maximum Mortgage Interest Rate": With respect to each Adjustable-Rate Mortgage Loan, the percentage set forth in the related Mortgage Note as the maximum Mortgage Interest Rate thereunder.

"MERS": As defined in Section 2.01 hereof.

"Minimum Mortgage Interest Rate": With respect to each Adjustable-Rate Mortgage Loan, the percentage set forth in the related Mortgage Note as the minimum Mortgage Interest Rate thereunder.

"Monthly Excess Cashflow Allocation": As defined in Section 4.02(b).

"Monthly Excess Cashflow Amount": The sum of the Monthly Excess Interest Amount, the Overcollateralization Release Amount and (without duplication) any portion of the Principal Distribution Amount remaining after principal distributions on the Offered Certificates and the Class B Certificates.

"Monthly Excess Interest Amount": With respect to each Distribution Date, the amount, if any, by which the related Interest Remittance Amount for such Distribution Date exceeds the aggregate amount distributed on such Distribution Date pursuant to paragraphs (i) through (xv) under Section 4.01.

"Monthly Payment": With respect to any Mortgage Loan, the scheduled monthly payment of principal and interest on such Mortgage Loan which is payable by the related Mortgagor from time to time under the related Mortgage Note, determined: (a) after giving effect to (i) any Deficient Valuation and/or Debt Service Reduction with respect to such Mortgage Loan and (ii) any reduction in the amount of interest collectible from the related Mortgagor pursuant to the Relief Act or similar state laws; (b) without giving effect to any extension granted or agreed to by the Servicer pursuant to Section 3.01; and (c) on the assumption that all other amounts, if any, due under such Mortgage Loan are paid when due.

"Moody's": Moody's Investors Service, Inc., and its successors, and if such company shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other "nationally recognized statistical rating organization" as set forth on the most current list of such organizations released by the Securities and Exchange Commission.

"Mortgage": The mortgage, deed of trust or other instrument creating a first or second lien on, or first or second priority security interest in, a Mortgaged Property securing a Mortgage Note.

"Mortgage File": The mortgage documents listed in Section 2.01 pertaining to a particular Mortgage Loan and any additional documents required to be added to the Mortgage File pursuant to this Agreement.

"Mortgage Interest Rate": With respect to each Mortgage Loan, the annual rate at which interest accrues on such Mortgage Loan from time to time in accordance with the provisions of the related Mortgage Note, which rate (i) in the case of each Fixed-Rate Mortgage Loan shall remain constant at the rate set forth in the applicable Mortgage Loan Schedule as the Mortgage Interest Rate in effect immediately following the Cut-off Date, and (ii) in the case of each Adjustable-Rate Mortgage Loan (A) as of any date of determination until the first Adjustment Date following the Cut-off Date shall be the rate set forth in the applicable Mortgage Loan Schedule as the Mortgage Interest Rate in effect immediately following the Cut-off Date and (B) as of any date of determination thereafter shall be the rate as adjusted on the most recent Adjustment Date, to equal the sum, rounded as provided in the Mortgage Note, of the Index, determined as set forth in the related Mortgage Note, plus the related Gross Margin subject to the limitations set forth in the related Mortgage Note. With respect to each Mortgage Loan that becomes an REO Property, as of any date of determination, the annual rate determined in accordance with the immediately preceding sentence as of the date such Mortgage Loan became an REO Property.

"Mortgage Loan": Each mortgage loan transferred and assigned to the Trustee pursuant to Section 2.01 or Section 2.03(d) and any Additional Transfer Instrument as from time to time held as a part of the Trust Fund, the Mortgage Loans so held being identified in the Mortgage Loan Schedules.

"Mortgage Loan Purchase Agreement": The agreement between the Seller and the Depositor, dated as of July 1, 2006, regarding the transfer of the Mortgage Loans by the Seller to or at the direction of the Depositor, substantially in the form attached hereto as Exhibit G.

"Mortgage Loan Schedule": As of any date with respect to the Mortgage Loans, the lists of such Mortgage Loans included in the Trust Fund on such date, separately identifying the Fixed-Rate Mortgage Loans and the Adjustable-Rate Mortgage Loans, as supplemented by each schedule of Additional Group 3 Mortgage Loans attached to an Additional Transfer Instrument. The Mortgage Loan Schedules shall set forth the following information with respect to each Mortgage Loan:

- (1) the Mortgage Loan identifying number;
- (2) the state and zip code of the Mortgaged Property;
- (3) the type of Residential Dwelling constituting the Mortgaged Property;
- (4) the occupancy status of the Mortgaged Property at origination;
- (5) the original months to maturity;
- (6) the date of origination;
- (7) the first payment date;
- (8) the stated maturity date;
- (9) the stated remaining months to maturity from the Cut-off Date (or Subsequent Cut-off Date, with respect to an Additional Group 3 Mortgage Loan) based on the original amortization schedule;

- (10) the original principal amount of the Mortgage Loan;
- (11) the Principal Balance of each Mortgage Loan as of the Cut-off Date (or Subsequent Cut-off Date, with respect to an Additional Group 3 Mortgage Loan);
- (12) the Mortgage Interest Rate of the Mortgage Loan as of the Cut-off Date (or Subsequent Cut-off Date, with respect to an Additional Group 3 Mortgage Loan);
- (13) the current principal and interest payment of the Mortgage Loan as of the Cut-off Date (or Subsequent Cut-off Date, with respect to an Additional Group 3 Mortgage Loan);
- (14) the contractual interest paid to date of the Mortgage Loan;
- (15) the Combined Loan-to-Value Ratio at origination and as of the Cut-off Date;
- (16) a code indicating the loan performance status of the Mortgage Loan as of the Cut-off Date;
- (17) a code indicating the Index that is associated with such Mortgage Loan;
- (18) the Gross Margin;
- (19) the Periodic Rate Cap;
- (20) the Minimum Mortgage Interest Rate;
- (21) the Maximum Mortgage Interest Rate;
- (22) a code indicating whether the Mortgage Loan has a Prepayment Charge and the type of Prepayment Charge and the term;
- (23) the first Adjustment Date immediately following the Cut-off Date;
- (24) the rate adjustment frequency;
- (25) the payment adjustment frequency;
- (26) the purpose of the Mortgage Loan; and
- (27) a code indicating whether the Mortgage Loan is a second lien.

The Mortgage Loan Schedules shall set forth the following information, as of the Cut-off Date (or Subsequent Cut-off Date, with respect to an Additional Group 3 Mortgage Loan), with respect to the Mortgage Loans in the aggregate, for the Fixed-Rate Mortgage Loans and for the Adjustable-Rate Mortgage Loans: (1) the number of Mortgage Loans; (2) the current Principal Balance of the Mortgage Loans; (3) the weighted average Mortgage Interest Rate of the Mortgage Loans; and (4) the weighted average maturity of the Mortgage Loans. The Mortgage Loan Schedules shall be amended from time to time in accordance with the provisions of this Agreement and a copy of such amended Mortgage Loan Schedules shall be furnished by the Servicer to the NIMS Insurer. With respect to any Eligible Substitute Mortgage Loan, Cut-off Date shall refer to the applicable date of substitution.

"Mortgage Note": The original executed note or other evidence of indebtedness evidencing the indebtedness of a Mortgagor under a Mortgage Loan.

"Mortgage Pool": The pool of Mortgage Loans, identified on the Mortgage Loan Schedules from time to time, and any REO Properties acquired in respect thereof.

"Mortgaged Property": The underlying property securing a Mortgage Loan, including any REO Property, consisting of an Estate in Real Property improved by a Residential Dwelling.

"Mortgagor": The obligor on a Mortgage Note.

"Net Liquidation Proceeds": With respect to any Liquidated Mortgage Loan or any other disposition of related Mortgaged Property (including REO Property) the related Liquidation Proceeds net of unreimbursed Advances, unreimbursed Servicing Advances, Servicing Fees and any other accrued and unpaid servicing fees received and retained in connection with the liquidation of such Mortgage Loan or Mortgaged



"Net Maximum Mortgage Interest Rate": With respect to (x) each Adjustable-Rate Mortgage Loan, the applicable Maximum Mortgage Interest Rate and (y) each Fixed-Rate Mortgage Loan, the Mortgage Interest Rate for such Mortgage Loan, in each case less the Expense Fee Rate.

"Net Mortgage Interest Rate": With respect to any Mortgage Loan, the Mortgage Interest Rate borne by such Mortgage Loan minus the Expense Fee Rate.

"Net Swap Payment": With respect to a Distribution Date (i) in the case of payments made by the Trust, the excess, if any, of (x) the Fixed Swap Payment for such Distribution Date over (y) the Floating Swap Payment for such Distribution Date and (ii) in the case of payments made by the Swap Provider, the excess, if any, of (x) the Floating Swap Payment for such Distribution Date over (y) the Fixed Swap Payment for such Distribution Date.

"New Lease": Any lease of REO Property entered into on behalf of the Trust, including any lease renewed or extended on behalf of the Trust if the Trust has the right to renegotiate the terms of such lease.

"NIMS Insurer": Any insurer that is guaranteeing certain payments under notes secured by collateral which includes all or a portion of the Class CE and Class P Certificates.

"Nonrecoverable Advance": Any Advance or Servicing Advance previously made or proposed to be made in respect of a Mortgage Loan that, in the good faith business judgment of the Servicer, will not or, in the case of a proposed Advance or Servicing Advance, would not be ultimately recoverable from Late Collections on such Mortgage Loan as provided herein.

"Notional Amount": With respect to any Distribution Date and the Class CE Interest and Class CE Certificates, an amount equal to the aggregate principal balance of the REMIC 1 Regular Interests for such Distribution Date.

"Offered Certificates": The Class A-1, Class A-2, Class A-3A, Class A-3B, Class A-3C1, Class A-3C2, Class A-3D, 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.

"Officers' Certificate": A certificate signed by the Chairman of the Board, the Vice Chairman of the Board, the President, a vice president (however denominated) or a principal, and by the Treasurer, the Secretary, or one of the assistant treasurers or assistant secretaries of the Servicer, the Seller or the Depositor, as applicable.

"One-Month LIBOR": With respect to each Interest Accrual Period, the rate determined by the Trustee on the related LIBOR Determination Date on the basis of the interbank offered rate for one-month United States dollar deposits in the London market as such rate appears on the Telerate Page 3750, as of 11:00 a.m. (London time) on such LIBOR Determination Date. If such rate does not appear on that page (or such other page as may replace that page on that service, or if such service is no longer offered, another service for displaying One-Month LIBOR or comparable rates as selected by the Trustee) on a LIBOR Determination Date, One-Month LIBOR for the related Interest Accrual Period will be the Reference Bank Rate, determined by the Trustee as follows:

(i) If on such LIBOR Determination Date two or more Reference Banks provide Reference Bank Rates, One-Month LIBOR for the related Interest Accrual Period shall be the arithmetic mean of such Reference Bank Rates (rounded upwards if necessary to the nearest whole multiple of 0.001%);

(ii) If on such LIBOR Determination Date fewer than two Reference Banks provide Reference Bank Rates, One-Month LIBOR for the related Interest Accrual Period shall be the arithmetic mean of the rates quoted by one or more major banks in New York City, selected by the Trustee after consultation with the Depositor and the NIMS Insurer, as of 11:00 A.M., New York City time, on such date for loans in U.S. Dollars to leading European banks for a period of one month in amounts approximately equal to the aggregate Certificate Principal Balance of the Offered Certificates and the Class B Certificates; and

(iii) If no such quotations can be obtained, One-Month LIBOR for the related Interest Accrual Period shall be One-Month LIBOR for the prior Distribution Date.

"Opinion of Counsel": A written opinion of counsel, who may, without limitation, be a salaried counsel for the Depositor or the Servicer except that any opinion of counsel relating to (a) the qualification of any REMIC as a REMIC or (b) compliance with the REMIC Provisions must be an opinion of Independent counsel.

"Option One Sale Agreement": The Flow Sale and Servicing Agreement, dated as of July 28, 2006, as it may be amended from time to time, by and among the Seller, as purchaser, Option One Mortgage Corporation and its affiliates, as sellers.

"Optional Termination Date": The first Distribution Date on which the NIMS Insurer, if any, or if there is no NIMS Insurer, the Majority Class CE Certificateholders or, if such holder is the Seller or is an affiliate of the Seller, the Servicer, may opt to terminate the Mortgage Pool

"Original Certificate Principal Balance": With respect to each Class of Certificates, the Certificate Principal Balance thereof on the Closing Date, as set forth opposite such Class in the Preliminary Statement, except with respect to (i) the Class P and Residual Certificates, which have an Original Certificate Principal Balance of zero and (ii) the Class CE Certificates, which, solely for REMIC purposes, have an Original Certificate Principal Balance equal to the Initial Overcollateralization Amount.

"Original Group 3 Pre-Funded Amount": The amount deposited by the Depositor in the Group 3 Pre-Funding Account on the Closing Date, which amount is \$94,134,849.87.

"Originator": Either Option One Mortgage Corporation or Ownit Mortgage, as the case may be, or their successors in interest.

"Originator Mortgage Loan Purchase Agreement": Either (i) the Option One Sale Agreement or (ii) the Ownit Sale Agreement.

"Originator Prepayment Charge Payment Amount": The amount payable by (i) Option One Mortgage Corporation pursuant to Section 4.22 of the Option One Sale Agreement or (ii) Ownit Mortgage pursuant to Section 9.03 of the Ownit Sale Agreement in respect of certain Prepayment Charges that are not collected from the Mortgage.

"Overcollateralization Amount": As of any Distribution Date, the excess, if any, of (x) the sum of (i) the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and (ii) any funds on deposit in the Group 3 Pre-Funding Account on the related Determination Date over (y) the aggregate Certificate Principal Balance of all Classes of Offered Certificates and the Class B Certificates (after taking into account all distributions of principal on such Distribution Date and the increase of any Certificate Principal Balance as a result of Subsequent Recoveries).

"Overcollateralization Deficiency": As of any Distribution Date, the excess, if any, of (x) the Targeted Overcollateralization Amount for such Distribution Date over (y) the Overcollateralization Amount for such Distribution Date, calculated for this purpose after taking into account the reduction on such Distribution Date of the Certificate Principal Balances of all Classes of Offered Certificates and the Class B Certificates resulting from the distribution of the Principal Distribution Amount (but not the Extra Principal Distribution Amount) on such Distribution Date, but prior to taking into account any Applied Realized Loss Amounts on such Distribution Date.

"Overcollateralization Release Amount": With respect to any Distribution Date on or after the Stepdown Date on which a Trigger Event is not in effect, the lesser of (x) the Principal Remittance Amount for such Distribution Date and (y) the excess, if any, of (i) the Overcollateralization Amount for such Distribution Date, assuming that 100% of the Principal Remittance Amount is applied as a principal distribution on the Offered Certificates and the Class B Certificates on such Distribution Date, over (ii) the Targeted Overcollateralization Amount for such Distribution Date. With respect to any Distribution Date on which a Trigger Event is in effect, the Overcollateralization Release Amount will be zero.

"Ownership Interest": As to any Certificate, any ownership or security interest in such Certificate, including any interest in such Certificate as the Holder thereof and any other interest therein, whether direct or indirect, legal or beneficial, as owner or as pledgee.

"Ownit Mortgage": Ownit Mortgage Solutions, Inc. or its successor in interest.

"Ownit Sale Agreement": The Mortgage Loan Purchase and Warranties Agreement, dated as of March 1, 2005, by and between Bank of America, National Association, as purchaser, and Ownit Mortgage, as seller and the related Memoranda of Sale, dated as of March 17, 2005, as amended by the Assignment, Assumption and Recognition Agreement, dated August 10, 2006, among the Depositor, Bank of America, National Association, the Trustee, the Servicer, and Ownit Mortgage.

"Pass-Through Rate": Any of the Class A-1 Pass-Through Rate, Class A-2 Pass-Through Rate, the Class A-3A Pass-Through Rate, the Class A-3B Pass-Through Rate, the Class A-3C1 Pass-Through Rate, Class A-3C2 Pass-Through Rate, the Class A-3D Pass-Through Rate, the Class M-1 Pass-Through Rate, the Class M-2 Pass-Through Rate, the Class M-3 Pass-Through Rate, the Class M-4 Pass-Through Rate, the Class M-5 Pass-Through Rate, the Class M-6 Pass-Through Rate, the Class M-7 Pass-Through Rate, the Class M-8 Pass-Through Rate, the Class M-9 Pass-Through Rate and the Class B Pass-Through Rate; and in the case of any Regular Interest, the Pass-Through Rate set forth in the definition thereof.

With respect to the Class CE Interest and the Class CE Certificates and any Distribution Date, a per annum rate equal to the percentage equivalent of a fraction, the numerator of which is the sum of the amounts calculated pursuant to clauses (A) through (S) below, and the denominator of which is the aggregate of the Uncertificated Principal Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9, REMIC 3 Regular Interest LT1B and REMIC 3 Regular Interest LT1ZZ. For purposes of calculating the Pass-Through Rate for the Class CE Interest and the Class CE Certificates, the numerator is equal to the sum of the following components:

- (A) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1AA minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1AA;
- (B) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1A1 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1A1;
- (C) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1A2 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1A2;
- (D) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1A3A minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1A3A;
- (E) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1A3B minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1A3B;
- (F) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1A3C1 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1A3C1;
- (G) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1A3C2 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of the REMIC 3 Regular Interest LT1A3C2;
- (H) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1A3D minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of the REMIC 3 Regular Interest LT1A3D;
- (I) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1M1 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1M1;
- (J) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1M2 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1M2;
- (K) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1M3 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1M3;
- (L) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1M4 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1M4;
- (M) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1M5 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1M5;
- (N) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1M6 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1M6;
- (O) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1M7 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1M7;
- (P) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1M8 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1M8;
- (Q) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1M9 minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1M9;
- (R) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1B minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1B; and
- (S) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1ZZ minus the Marker Rate, applied to an amount equal to the Uncertificated Principal Balance of REMIC 3 Regular Interest LT1ZZ.

With respect to the Swap IO Interest, the Swap IO Interest shall not have a Pass-Through Rate, but interest for such Regular Interest and each Distribution Date shall be an amount equal to 100% of the amounts distributable to REMIC 3 Regular Interest LTIO for such Distribution Date.

"Paying Agent": Any paying agent appointed pursuant to Section 5.05.

"Percentage Interest": With respect to any Certificate (other than a Class CE, Class P or Residual Certificate), a fraction, expressed as a percentage, the numerator of which is the Initial Certificate Principal Balance, as the case may be, represented by such Certificate and the denominator of which is the Original Certificate Principal Balance of the related Class. With respect to a Class CE or Class P Certificate, the portion of the Class evidenced thereby, expressed as a percentage, as stated on the face of such Certificate; provided, however, that the sum of all such percentages for each such Class totals 100%. With respect to a Residual Certificate, 100%.

"Periodic Rate Cap": With respect to each Adjustable-Rate Mortgage Loan and any Adjustment Date therefor, the fixed percentage set forth in the related Mortgage Note, which is the maximum amount by which the Mortgage Interest Rate for such Mortgage Loan may increase or decrease (without regard to the Maximum Mortgage Interest Rate or the Minimum Mortgage Interest Rate) on such Adjustment Date from the Mortgage Interest Rate in effect immediately prior to such Adjustment Date.

"Permitted Transferee": Any transferee of a Residual Certificate other than a Disqualified Organization, a non-U.S. Person or a U.S. Person with respect to whom income on a Residual Certificate is attributable to a foreign permanent establishment or fixed base, within the meaning of an applicable income tax treaty, of such Person or any other U.S. Person.

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

"Pool Balance": As of any date of determination, the aggregate Principal Balance of the Mortgage Loans.

"Pool Cap": As of any Distribution Date, a per annum rate, equal to the weighted average of the Group 1 Cap, the Group 2 Cap and Group 3 Cap, weighted on the basis of the related Group Subordinate Amount. For federal income tax purposes, the economic equivalent of such rate shall be expressed as the weighted average of the REMIC 3 Pass-Through Rate on (a) REMIC 3 Regular Interest LT1SUB, subject to a cap and floor equal to the Weighted Average Net Mortgage Interest Rates of the Group 1 Mortgage Loans, (b) REMIC 3 Regular Interest LT2SUB, subject to a cap and floor equal to the Weighted Average Net Mortgage Interest Rates of the Group 2 Mortgage Loans and (c) REMIC 3 Regular Interest LT3SUB, subject to a cap and floor equal to the Weighted Average Net Mortgage Interest Rates of the Group 3 Mortgage Loans, weighted on the basis of the Uncertificated Balance of such REMIC 3 Regular Interests.

"Pool Maximum Rate Cap": As of any Distribution Date, a per annum rate, equal to the weighted average of the Group 1 Maximum Rate Cap, the Group 2 Maximum Rate Cap and the Group 3 Maximum Rate Cap, weighted on the basis of the related Group Subordinate Amount.

"Prepayment Charge": With respect to any Prepayment Period, any prepayment premium, penalty or charge collected by the Servicer from a Mortgagor in connection with any voluntary Principal Prepayment in full pursuant to the terms of the related Mortgage Note as from time to time held as a part of the Trust Fund, the Prepayment Charges so held being identified in the Mortgage Loan Schedules (other than any Originator Prepayment Charge Payment Amount or Servicer Prepayment Charge Payment Amount).

"Prepayment Interest Excess": With respect to any Distribution Date, for each Mortgage Loan that was the subject of a Principal Prepayment in full during the portion of the related Prepayment Period beginning on the first day of the calendar month in which such Distribution Date occurs through the Determination Date of the calendar month in which such Distribution Date occurs, an amount equal to interest (to the extent received) at the applicable Mortgage Interest Rate (net of the Servicing Fee Rate) on the amount of such Principal Prepayment for the number of days commencing on the first day of the calendar month in which such Distribution Date occurs and ending on the date on which such prepayment is so applied.

"Prepayment Interest Shortfall": With respect to any Distribution Date, for each Mortgage Loan that was the subject of a Principal Prepayment during the portion of the related Prepayment Period occurring in the prior calendar month that was applied by the Servicer to reduce the outstanding Principal Balance of such Mortgage Loan on a date preceding the related Due Date, an amount equal to interest at the applicable Mortgage Interest Rate (net of the Servicing Fee Rate) on the amount of such Principal Prepayment for the number of days commencing on the date on which the Principal Prepayment is applied and ending on the last day of the calendar month in which applied.

"Prepayment Period": With respect to any Distribution Date, the period commencing on the day after the Determination Date in the calendar month preceding the calendar month in which such Distribution Date occurs (or, in the case of the first Distribution Date, on July 1, 2006) and ending on the Determination Date in the calendar month in which such Distribution Date occurs.

"Principal Balance": As to any Mortgage Loan and any day, other than a Liquidated Mortgage Loan, the related Cut-off Date Principal Balance, minus the sum of (i) all collections and other amounts credited against the principal balance of any such Mortgage Loan, (ii) the principal portion of Advances, (iii) any Deficient Valuation and (iv) any principal reduction resulting from a Servicer Modification. For purposes of this definition, a Liquidated Mortgage Loan shall be deemed to have a Principal Balance equal to the Principal Balance of the related Mortgage Loan as of the final recovery of related Liquidation Proceeds and a Principal Balance of zero thereafter. As to any REO Property and any day, the Principal Balance of the related Mortgage Loan immediately prior to such Mortgage Loan becoming REO Property minus any REO Principal Amortization received with respect thereto on or prior to such day.

"Principal Distribution Amount": As to any Distribution Date, the sum of (i) the Principal Remittance Amount minus the Overcollateralization Release Amount, if any, (ii) the Extra Principal Distribution Amount, if any and (iii) with respect to the Distribution Date in September 2006, the amount, if any, remaining in the Group 3 Pre-Funding Account after the

"Principal Prepayment": Any payment of principal made by the Mortgagor on a Mortgage Loan which is received in advance of its scheduled Due Date and which is not accompanied by an amount of interest representing the full amount of scheduled interest due on any Due Date in any month or months subsequent to the month of prepayment.

"Principal Remittance Amount": With respect to any Distribution Date, to the extent of funds available therefor, the excess (less amounts available for reimbursement of Advances and Servicing Advances pursuant to Section 3.05 and expenses and indemnification payments pursuant to Section 6.03 and Section 8.05) of (A) the sum of (i) each payment of principal on a Mortgage Loan due during the related Collection Period and received by the Servicer on or prior to the related Determination Date, and any Advances with respect thereto, (ii) all full and partial Principal Prepayments received by the Servicer during the related Prepayment Period, (iii) Insurance Proceeds, Net Liquidation Proceeds and Subsequent Recoveries allocable to principal actually collected by the Servicer during the related Prepayment Period, (iv) with respect to Defective Mortgage Loans repurchased with respect to such Prepayment Period, the portion of the Purchase Price allocable to principal, (v) any Substitution Adjustment Amounts received during the related Prepayment Period, and (vi) on the Distribution Date on which the Trust is to be terminated in accordance with Section 10.01 hereof, that portion of the Termination Price in respect of principal over (B) to the extent any amounts payable to the Swap Provider (including any Net Swap Payment and any Swap Termination Payment owed to the Swap Provider but excluding any Swap Termination Payment owed to the Swap Provider resulting from a Swap Provider Trigger Event) exceed the Interest Remittance Amount for such Distribution Date (without giving effect to clause (B) of the definitions of "Group 1 Interest Remittance Amount," "Group 2 Interest Remittance Amount" and "Group 3 Interest Remittance Amount").

"Private Certificates": Any of the Class B, Class CE, Class P and Residual Certificates.

"Prospectus Supplement": That certain Prospectus Supplement dated August 8, 2006 relating to the public offering of the Offered Certificates.

"Purchase Price": With respect to any Mortgage Loan or REO Property to be purchased pursuant to or as contemplated by Section 2.03 or 10.01, an amount equal to the sum of (i) 100% of the Principal Balance thereof as of the date of purchase (or such other price as provided in Section 10.01),

(ii) in the case of a Mortgage Loan, accrued interest on such Principal Balance at the applicable Mortgage Interest Rate in effect from time to time from the Due Date as to which interest was last covered by a payment by the Mortgagor or an Advance by the Servicer, which payment or Advance had as of the date of purchase been distributed pursuant to Section 4.01, through the end of the calendar month in which the purchase is to be effected, (iii) any unreimbursed Servicing Advances and Advances and any unpaid Servicing Fees allocable to such Mortgage Loan or REO Property, (iv) any amounts previously withdrawn from the Collection Account in respect of such Mortgage Loan or REO Property pursuant to Section 3.13 and (v) in the case of a Mortgage Loan required to be purchased pursuant to Section 2.03, expenses reasonably incurred or to be incurred by the Servicer or the Trustee in respect of the breach or defect giving rise to the purchase obligation.

"Rating Agency or Rating Agencies": Fitch, Moody's and S&P, or their respective successors. If such agencies or their successors are no longer in existence, "Rating Agencies" shall be such nationally recognized statistical rating organizations as set forth on the most current list of such organizations released by the Commission and designated by the Depositor, notice of which designation shall be given to the Trustee and the Servicer.

"Realized Loss": With respect to a Liquidated Mortgage Loan, the amount by which the remaining unpaid principal balance of the Mortgage Loan exceeds the amount of Net Liquidation Proceeds applied to the principal balance of the related Mortgage Loan. With respect to any Mortgage Loan, a Deficient Valuation or a reduction in the Principal Balance thereof resulting from a Servicer Modification.

"Realized Loss Amortization Amount": Any of the Class M-1 Realized Loss Amortization Amount, the Class M-2 Realized Loss Amortization Amount, the Class M-3 Realized Loss Amortization Amount, the Class M-4 Realized Loss Amortization Amount, the Class M-5 Realized Loss Amortization Amount, the Class M-6 Realized Loss Amortization Amount, the Class M-7 Realized Loss Amortization Amount, the Class M-8 Realized Loss Amortization Amount, the Class M-9 Realized Loss Amortization Amount and the Class B Realized Loss Amortization Amount.

"Record Date": With respect to all of the Offered and Class B Certificates (other than the Private Certificates), the Business Day immediately preceding such Distribution Date; provided, however, that if any such Certificate becomes a Definitive Certificate, the Record Date for such Certificate shall be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs. With respect to the Class CE, Class P and Residual Certificates, the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

"Reference Bank Rate": With respect to each Interest Accrual Period, the rates at which deposits in U.S. Dollars are offered by the Reference Banks as of 11:00 A.M., London time, on the related LIBOR Determination Date to prime banks in the London interbank market for a period of one month in amounts approximately equal to the aggregate Certificate Principal Balance of the Offered Certificates and the Class B Certificates.

"Reference Banks": Those banks (i) with an established place of business in London, England, (ii) not controlling, under the control of or under

common control with the Depositor or the Trustee, (iii) whose quotations appear on the Teletype Page 750 on the relevant LIBOR Determination Date and (iv) which have been designated as such by the Trustee; provided, however, that if fewer than two of such banks provide a One-Month LIBOR rate, then any leading banks selected by the Trustee which are engaged in transactions in United States dollar deposits in the international Eurocurrency market.

"Regular Certificate": Any of the Offered Certificates, the Class B Certificates and the Class CE Certificates.

"Regulation AB": Subpart 229.1100 - Asset Backed Securities (Regulation AB), 17 C.F.R. ss.ss.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.

"Regulation FD" Regulation FD, 17 C.F.R. ss.ss.243.100-243.103, as such may be amended from time to time.

"Reimbursement Amount": With respect to any Mortgage Loan, any costs or damages incurred by the Trust in connection with a breach of (i) Ownit Mortgage's representations and warranties set forth in clauses (g), (tt), (uu), (vv) or (nnn) of Section 9.02 of the Ownit Sale Agreement or (ii) a breach of Option One Mortgage Corporation's representations and warranties set forth in Section 3.03(i) or 3.03(ddd) of the Option One Sale Agreement.

"Related Documents": With respect to any Mortgage Loan, the related Mortgage Notes, Mortgages and other related documents.

"Relevant Servicing Criteria": The Servicing Criteria applicable to the various parties, as set forth on Exhibit Q attached hereto. For clarification purposes, multiple parties can have responsibility for the same Relevant Servicing Criteria. With respect to a Servicing Function Participant engaged by the Trustee or the Servicer, the term "Relevant Servicing Criteria" may refer to a portion of the Relevant Servicing Criteria applicable to the Servicer or the Trustee.

"Relief Act": The Servicemembers Civil Relief Act, as it may be amended from time to time.

"Relief Act Interest Shortfall": With respect to any Distribution Date, for any Mortgage Loan with respect to which there has been a reduction in the amount of interest collectible thereon for the most recently ended Collection Period as a result of the application of the Relief Act or similar state laws, the amount by which (i) interest collectible on such Mortgage Loan during such Collection Period is less than (ii) one month's interest on the Principal Balance of such Mortgage Loan at the Mortgage Interest Rate for such Mortgage Loan before giving effect to the application of the Relief Act or similar state laws.

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

"REMIC 1 Regular Interest": Any of the separate non-certificated beneficial ownership interests in REMIC 1 issued hereunder and designated as a "regular interest" in REMIC 1. Each REMIC 1 Regular Interest shall accrue interest at the related Uncertificated REMIC 1 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Balance as set forth in the Preliminary Statement hereto. The designations for the respective REMIC 1 Regular Interests are set forth in the Preliminary Statement hereto. The REMIC 1 Regular Interests consist of REMIC 1 Regular Interest I-1, REMIC 1 Regular Interest I-2 and REMIC 1 Regular Interest I-3.

"REMIC 2 Group 1 Regular Interests": REMIC 2 Regular Interest I-1-A through REMIC 2 Regular Interest I-60-B as designated in the Preliminary Statement hereto.

"REMIC 2 Group 2 Regular Interests": REMIC 2 Regular Interest II-1-A through REMIC 2 Regular Interest II-60-B as designated in the Preliminary Statement hereto.

"REMIC 2 Group 3 Regular Interests": REMIC 2 Regular Interest III-1-A through REMIC 2 Regular Interest III-60-B as designated in the Preliminary Statement hereto.

"REMIC 2 Regular Interest": Any of the separate non-certificated beneficial ownership interests in REMIC 2 issued hereunder and designated as a "regular interest" in REMIC 2. Each REMIC 2 Regular Interest shall accrue interest at the related Uncertificated REMIC 2 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Balance as set forth in the Preliminary Statement hereto. The designations for the respective REMIC 2 Regular Interests are set forth in the Preliminary Statement hereto. The REMIC 2 Regular Interests consist of the REMIC 2 Group 1 Regular Interests, REMIC 2 Group 2 Regular Interests and REMIC 2 Group 3 Regular Interests.

"REMIC 3 Interest Loss Allocation Amount": With respect to any Distribution Date, an amount equal to (a) the product of (i) 50% of the sum of the aggregate Principal Balance of the Mortgage Loans and related REO Properties then outstanding and (ii) the Uncertificated REMIC 3 Pass-Through Rate for REMIC 3 Regular Interest LT1AA minus the Marker Rate, divided by (b) 12.

"REMIC 3 Marker Allocation Percentage": 50% of any amount payable from or less attributable to the Mortgage Loans (in the case of interest, less the interest distributable on the REMIC 3 Regular Interest LTIO), which shall be allocated to REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9, REMIC 3 Regular Interest LT1B and REMIC 3 Regular Interest LT1ZZ.

"REMIC 3 Overcollateralization Target Amount": 0.50% of the Targeted Overcollateralization Amount.

"REMIC 3 Overcollateralized Amount": With respect to any date of determination, (i) 0.50% of the aggregate Uncertificated Principal Balances of the REMIC 3 Regular Interests minus (ii) the aggregate of the Uncertificated Principal Balances of REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9 and REMIC 3 Regular Interest LT1B, in each case as of such date of determination.

"REMIC 3 Principal Loss Allocation Amount": With respect to any Distribution Date, an amount equal to (a) the product of (i) 50% of the aggregate Principal Balance of the Mortgage Loans and related REO Properties then outstanding and (ii) 1 minus a fraction, the numerator of which is two times the aggregate of the Uncertificated Principal Balances of REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9 and REMIC 3 Regular Interest LT1B, and the denominator of which is the aggregate of the Uncertificated Principal Balances of REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9, REMIC 3 Regular Interest LT1B and REMIC 3 Regular Interest LT1ZZ.

"REMIC 3 Regular Interest LT1AA": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT1AA shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT1A1": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT1A1 shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT1A2": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT1A2 shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT1A3A": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT1A3A shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT1A3B": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT1A3B shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT1A3C1": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT1A3C1 shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT1A3C2": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT1A3C2 shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in





Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT2GRP": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT2GRP shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT2SUB": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT2SUB shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT3GRP": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT3GRP shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT3SUB": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT3SUB shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT1XX": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT1XX shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LT1ZZ": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LT1ZZ shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interest LTIO": One of the separate non-certificated beneficial ownership interests in REMIC 3 issued hereunder and designated as a Regular Interest in REMIC 3. REMIC 3 Regular Interest LTIO shall accrue interest at the related Uncertificated REMIC 3 Pass-Through Rate in effect from time to time, and shall be entitled to distributions of principal, subject to the terms and conditions hereof, in an aggregate amount equal to its initial Uncertificated Principal Balance as set forth in the Preliminary Statement hereto.

"REMIC 3 Regular Interests": REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9, REMIC 3 Regular Interest LT1B, REMIC 3 Regular Interest LT1SUB, REMIC 3 Regular Interest LT1GRP, REMIC 3 Regular Interest LT2SUB, REMIC 3 Regular Interest LT2GRP, REMIC 3 Regular Interest LT3SUB, REMIC 3 Regular Interest LT3GRP, REMIC 3 Regular Interest LT1XX, REMIC 3 Regular Interest LT1ZZ and REMIC 3 Regular Interest LTIO.

"REMIC 3 Sub WAC Allocation Percentage": 50% of any amount payable or loss attributable from the Mortgage Loans (in the case of interest, less the interest distributable on the REMIC 3 Regular Interest LTIO), which shall be allocated to REMIC 3 Regular Interest LT1SUB, REMIC 3 Regular Interest LT1GRP, REMIC 3 Regular Interest LT2SUB, REMIC 3 Regular Interest LT2GRP, REMIC 3 Regular Interest LT3SUB, REMIC 3 Regular Interest LT3GRP and REMIC 3 Regular Interest LT1XX.

"REMIC 3 Subordinated Balance Ratio": The ratio among the Uncertificated Principal Balances of each REMIC 3 Regular Interest ending with the designation "SUB," equal to the ratio among, with respect to each such REMIC 3 Regular Interest, the excess of (x) the aggregate Principal Balance of the Mortgage Loans in the related Loan Group over (y) the aggregate current Certificate Principal Balance of the Class A Certificates in the related Loan Group.

"REMIC 4 Pass-Through Rate": With respect to the Class A-1 Certificates, the rate specified in footnote (1) under the heading "REMIC 4" in the Preliminary Statement hereto, without taking into account (i) clause (b)(ii) of the definition of "Group 1 Cap" or (ii) clause (b)(ii) and clause (c) of the definition of "Group 1 Maximum Rate Cap." With respect to the Class A-2 Certificates, the rate specified in footnote (2) under the heading "REMIC 4" in the Preliminary Statement hereto, without taking into account (i) clause (b)(ii) of the definition of "Group 2 Cap" or (ii) clause (b)(ii) and clause (c) of the definition of "Group 2 Maximum Rate Cap." With respect to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, the rate specified in footnote (3), (4), (5), (6) or (7), as applicable, under the heading "REMIC 4" in the Preliminary Statement hereto, without taking into account (i) clause (b)(ii) of the definition of "Group 3 Cap" or (ii) clause (b)(ii) and clause (c) of the definition of "Group 3 Maximum Rate Cap." With respect to

the Class M and Class B Certificates, the rate specified in footnotes (8) through (17), as applicable, under the heading "REMIC 4" in the Preliminary Statement hereto, provided that (A) the definition of "Pool Cap" shall be calculated without taking into account clause (b)(ii) of the definition of each of "Group 1 Cap," "Group 2 Cap" and "Group 3 Cap" and (B) the definition of "Pool Maximum Rate Cap" shall be calculated without taking into account clause (b)(ii) and clause (c) of the definition of each of "Group 1 Maximum Rate Cap," "Group 2 Maximum Rate Cap" and "Group 3 Maximum Rate Cap."

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

"REMIC Regular Interest": Any of the REMIC 1 Regular Interests, REMIC 2 Regular Interests, REMIC 3 Regular Interests, the Swap IO Interest, the Class CE Interest or any of the Certificates (other than the Class P and Residual Certificates), exclusive of the right to receive Cap Carryover Amounts and, in the case of the Class CE Interest, exclusive of the obligation to pay Cap Carryover Amounts and Net Swap Payments and the right to receive Net Swap Payments from the Swap Provider.

"Remittance Report": A report prepared by the Servicer and delivered to the Trustee and the NIMS Insurer pursuant to Section 4.07, containing the information attached hereto as Exhibit M.

"Rents from Real Property": With respect to any REO Property, gross income of the character described in Section 856(d) of the Code.

"REO Disposition": The sale or other disposition of an REO Property on behalf of the Trust.

"REO Imputed Interest": As to any REO Property, for any Collection Period, an amount equivalent to interest (at the Net Mortgage Interest Rate that would have been applicable to the related Mortgage Loan had it been outstanding) for such Collection Period on the unpaid Principal Balance of the Mortgage Loan as of the date of acquisition.

"REO Principal Amortization": With respect to any REO Property, for any calendar month, the aggregate of all amounts received in respect of such REO Property during such calendar month, whether in the form of rental income, sale proceeds (including, without limitation, that portion of the Termination Price paid in connection with a purchase of all of the Mortgage Loans and REO Properties pursuant to Section 10.01 that is allocable to such REO Property) or otherwise, net of any portion of such amounts (i) payable pursuant to Section 3.13 in respect of the proper operation, management and maintenance of such REO Property or (ii) payable or reimbursable to the Servicer pursuant to Section 3.13 for unpaid Servicing Fees in respect of the related Mortgage Loan and unreimbursed Servicing Advances and Advances in respect of such REO Property or the related Mortgage Loan.

"REO Property": A Mortgaged Property acquired by the Servicer on behalf of the Trust through foreclosure or deed-in-lieu of foreclosure, as described in Section 3.13.

"Reportable Event": As defined in Section 3.31(d) hereof.

"Request for Release": A release signed by a Servicing Officer, in the form of Exhibit E attached hereto.

"Residential Dwelling": Any one of the following: (i) a detached one-family dwelling, (ii) a detached two- to four-family dwelling, (iii) a one-family dwelling unit in a Fannie Mae eligible condominium project, (iv) a manufactured home, or (v) a detached one-family dwelling in a planned unit development, none of which is a co-operative or mobile home.

"Residual Certificates": Either of the Class R or Class R-X Certificates.

"Residual Interest": The sole Class of "residual interests" in each REMIC within the meaning of Section 860G(a)(2) of the Code.

"Responsible Officer": When used with respect to the Trustee, any officer assigned to the Corporate Trust Division (or any successor thereto), including any Vice President, Assistant Vice President, Trust Officer, any Assistant Secretary, any trust officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and in each case having direct responsibility for the administration of this Agreement.

"S&P": Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and its successors, and if such company shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other "nationally recognized statistical rating organization" as set forth on the most current list of such organizations released by the Commission.

"Sarbanes-Oxley Certification": As defined in Section 3.31(b) hereof.

"Securities Act": The Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Schedule of Additional Mortgage Loans": With respect to any Additional Transfer Instrument, the schedule of Additional Group 3 Mortgage

"Seller": Bank of America, National Association, or its successor in interest, in its capacity as seller under the Mortgage Loan Purchase Agreement.

"Senior Certificates": The Class A-1, Class A-2, Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates.

"Senior Principal Distribution Amount": For any Distribution Date, the sum of the Group 1 Senior Principal Distribution Amount, the Group 2 Senior Principal Distribution Amount and the Group 3 Senior Principal Distribution Amount.

"Servicer": Option One Mortgage Corporation, a California corporation, or any successor servicer appointed as herein provided, in its capacity as Servicer hereunder.

"Servicer Event of Termination": One or more of the events described in Section 7.01.

"Servicer Modification": A modification to the terms of a Mortgage Loan, in accordance with the terms of Section 3.01, as to which the Mortgagor is in default or as to which, in the judgment of the Servicer, default is reasonably foreseeable.

"Servicer Prepayment Charge Payment Amount": The amount payable by the Servicer in respect of any waived Prepayment Charges pursuant to Section 3.01, which amount shall be equal to the difference between the amount of Prepayment Charge due by a Mortgagor before any waiver and the actual amount of the Prepayment Charge that was paid by the Mortgagor.

"Servicer Remittance Date": The 20th day of each month beginning in August 2006 (or, if such day is not a Business Day, the preceding Business Day).

"Servicing Advances": All customary, reasonable and necessary "out of pocket" costs and expenses incurred by the Servicer (including reasonable attorneys' fees and disbursements) in the performance of its servicing obligations, including, but not limited to, the cost of (i) the preservation, restoration, inspection and protection of the Mortgaged Property, (ii) any enforcement or judicial proceedings, including foreclosures, (iii) the management and liquidation of the REO Property and (iv) compliance with the obligations under Section 3.08.

"Servicing Criteria": The "servicing criteria" set forth in Item 1122(d) of Regulation AB, as such may be amended from time to time, which as of the Closing Date are listed on Exhibit Q hereto.

"Servicing Fee": With respect to each Mortgage Loan (including each REO Property) and for any calendar month, an amount equal to one month's interest (or in the event of any payment of interest which accompanies a Principal Prepayment in full made by the Mortgagor during such calendar month, interest for the number of days covered by such payment of interest) at the Servicing Fee Rate on the same principal amount on which interest on such Mortgage Loan accrues for such calendar month.

"Servicing Fee Rate": With respect to each Mortgage Loan, 0.30% per annum for the first 10 calendar months following the Cut-off Date, 0.40% per annum for the 11th through 30th calendar months following the Cut-off Date, and 0.65% per annum for all calendar months thereafter.

"Servicing Function Participant": Any Subservicer, subcontractor or other Person engaged by the Servicer or the Trustee that is participating in the servicing function with respect to the Mortgage Loans, within the meaning of Item 1122 of Regulation AB.

"Servicing Officer": Any representative or officer of the Servicer involved in, or responsible for, the administration and servicing of Mortgage Loans, whose name and specimen signature appear on a list of servicing officers furnished by the Servicer to the Trustee and the Depositor on the Closing Date, as such list may from time to time be amended.

"Servicing Standard": The standards set forth in Section 3.01 hereof.

"Similar Law": As defined in Section 5.02(d) hereof.

"Sponsor": Bank of America, National Association.

"Startup Day": As defined in Section 9.01(b) hereof.

"Stayed Funds": Any payment required to be made under the terms of the Certificates and this Agreement but which is not remitted by the Servicer because the Servicer is the subject of a proceeding under the Bankruptcy Code and the making of such remittance is prohibited by Section 362 of the Bankruptcy Code.

"Stepdown Date": The earlier to occur of (i) the Distribution Date following the Distribution Date on which the aggregate Certificate Principal Balance of the Senior Certificates is reduced to zero and (ii) the later to occur of (x) the Distribution Date in August 2009 and (y) the Distribution Date on which the Credit Enhancement Percentage for the Senior Certificates is greater than or equal to 54.80%.

"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 the Mortgage Loans but performs one or more discrete functions identified in Item 1122(d) of Regulation AB with respect to the Mortgage Loans under the direction or authority of the Servicer, a Subservicer or the Trustee.

"Subordinated Applied Realized Loss Amount": With respect to each Distribution Date, the excess, if any, of the aggregate of (a) the Certificate Principal Balances of the Certificates (after taking into account the distribution of the Principal Distribution Amount on such Distribution Date and any increase in any Certificate Principal Balance as a result of Subsequent Recoveries) over (b) the Pool Balance as of the end of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period.

"Subordinated Certificates": 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, Class M-9, Class B, Class CE and Residual Certificates.

"Subordination Depletion Date": The Distribution Date on which (i) the aggregate Certificate Principal Balance of the Class M and Class B Certificates has been reduced to zero and (ii) the Overcollateralization Amount is reduced to zero.

"Subsequent Cut-off Date": With respect to the Additional Group 3 Mortgage Loans sold to the Trust Fund pursuant to an Additional Transfer Instrument, the later of (i) the first day of the month in which the related Additional Transfer Date occurs or (ii) the date of origination of such Mortgage Loan.

"Subsequent Recovery": Any amount (net of reimbursable expenses) received on a Mortgage Loan subsequent to such Mortgage Loan being determined to be a Liquidated Mortgage Loan that resulted in a Realized Loss in a prior month.

"Subservicer": Any Person that services Mortgage Loans on behalf of the Servicer and is responsible for the performance (whether directly or through Subservicers or Subcontractors) of some or all of the material servicing functions required to be performed by the Servicer under this Agreement, with respect to some or all of the Mortgage Loans, that are identified in Item 1122(d) of Regulation AB.

"Subservicing Agreement": Any subservicing agreement between the Servicer and any Subservicer relating to servicing and/or administration of certain Mortgage Loans as provided in Section 3.16.

"Substitution Adjustment Amount": As defined in Section 2.03(d) hereof.

"Swap Account": The account or accounts created and maintained pursuant to Section 4.09. The Swap Account must be an Eligible Account.

"Swap Interest Shortfall Amount": Any shortfall of interest with respect to any Class of Certificates resulting from the application of the related Cap due to a discrepancy between the Uncertificated Notional Amount of the Swap IO Interest and the scheduled notional amount pursuant to the Interest Rate Swap Agreement.

"Swap IO Interest": The regular interest in REMIC 4 entitled to the amounts set forth in the Preliminary Statement hereto.

"Swap LIBOR": As to any Distribution Date, LIBOR (as determined pursuant to the Interest Rate Swap Agreement with respect to such Distribution Date).

"Swap Provider": Bank of America, National Association.

"Swap Provider Trigger Event": A Swap Termination Payment that is triggered upon: (i) an Event of Default under the Interest Rate Swap Agreement with respect to which the Swap Provider is a Defaulting Party (as defined in the Interest Rate Swap Agreement) or (ii) a Termination Event under the Interest Rate Swap Agreement with respect to which the Swap Provider is the sole Affected Party (as defined in the Interest Rate Swap Agreement) or (iii) an Additional Termination Event under the Interest Rate Swap Agreement with respect to which the Swap Provider is the sole Affected Party.

"Swap Termination Payment": The payment due under the Interest Rate Swap Agreement upon the early termination of the Interest Rate Swap Agreement.

"Targeted Overcollateralization Amount": As of any Distribution Date, (x) prior to the Stepdown Date, 3.25% of the sum of (i) the Pool Balance of the Initial Mortgage Loans on the Cut-off Date and (ii) the amount on deposit in the Group 3 Pre-Funding Account on the Closing Date and (y) on and after the Stepdown Date, (i) if a Trigger Event has not occurred, the greater of (a) 6.50% of the sum of the Pool Balance as of the last day of the related Collection Period after giving effect to Principal Prepayments in the related Prepayment Period and any amounts

remaining in the Group 3 Pre-Funding Account and (b) 0.90% of the sum of (I) the Pool Balance of the Initial Mortgage Loans on the Cut-off Date and (II) the amount on deposit in the Group 3 Pre-Funding Account on the Closing Date and (ii) if a Trigger Event has occurred, the Targeted Overcollateralization Amount for the immediately preceding Distribution Date.

"Tax Matters Person": The tax matters person or persons appointed pursuant to Section 9.01(e) hereof.

"Tax Returns": The federal income tax returns on Internal Revenue Service Form 1066, U.S. Real Estate Mortgage Investment Conduit Income Tax Return, including Schedule Q thereto, Quarterly Notice to Residual Interest Holders of the REMIC Taxable Income or Net Loss Allocation, or any successor forms, to be filed on behalf of the Trust for each of the five REMICs created pursuant to this Agreement under the REMIC Provisions, together with any and all other information reports or returns that may be required to be furnished to the Certificateholders or filed with the Internal Revenue Service or any other governmental taxing authority under any applicable provisions of federal, state or local tax laws.

"Telerate Page 3750": The display page currently so designated on the Reuters Telerate Service (or such other page as may replace the Telerate Page 3750 page on that service for the purpose of displaying London interbank offered rates of major banks).

"Termination Price": As defined in Section 10.01(a) hereof.

"Trigger Event": On any Distribution Date, a Trigger Event has occurred if

(i) the three-month rolling average of 60+ Day Delinquent Loans (as a percentage of the Pool Balance as of the last day of the related Collection Period) equals or exceeds the applicable percentages of the Credit Enhancement Percentage as set forth below for the most senior class of Class A, Class M and Class B Certificates then outstanding;

Class	Percentage
Class A Certificates	29.20%
Class M-1 Certificates	36.20%
Class M-2 Certificates	47.06%
Class M-3 Certificates	52.81%
Class M-4 Certificates	61.53%
Class M-5 Certificates	72.40%
Class M-6 Certificates	83.77%
Class M-7 Certificates	104.57%
Class M-8 Certificates	123.08%
Class M-9 Certificates	156.86%
Class B Certificates	246.15%

or (ii) the aggregate amount of Realized Losses incurred since the Cut-off Date through the last day of the related Collection Period (reduced by the aggregate amount of Subsequent Recoveries received since the Cut-off Date through the last day of the related Collection Period) divided by the Pool Balance of the Initial Mortgage Loans on the Cut-off Date plus the Original Group 3 Pre-Funded Amount exceeds the applicable percentages set forth below with respect to that Distribution Date:

Distribution Date Occurring In	Percentage
August 2008 through July 2009	1.70% for the first month, plus an additional 1/12th of 2.10% for each month thereafter
August 2009 through July 2010	3.80% for the first month, plus an additional 1/12th of 2.15% for each month thereafter
August 2010 through July 2011	5.95% for the first month, plus an additional 1/12th of 1.70% for each month thereafter
August 2011 through July 2012	7.65% for the first month, plus an additional 1/12th of 0.85% for each month thereafter
August 2012 and thereafter	8.50%

"Trust": ABFC 2006-OPT1 Trust, the trust created hereunder.

"Trust Fund": The segregated pool of assets subject hereto, constituting the primary trust created hereby and to be administered hereunder, with respect to a portion of which five REMIC elections are to be made, such entire Trust Fund consisting of: (i) such Mortgage Loans as from time to time are subject to this Agreement, together with the Mortgage Files relating thereto, and together with all collections thereon and proceeds thereof, (ii) any REO Property, together with all collections thereon and proceeds thereof, (iii) the Trustee's rights with respect to the Mortgage Loans under all insurance policies required to be maintained pursuant to this Agreement and any proceeds thereof, (iv) the Depositor's rights under each Originator Mortgage Loan Purchase Agreement, the Mortgage Loan Purchase Agreement (including any security interest created thereby) and any Additional Mortgage Loan Purchase Agreement, (v) the Trustee's rights

under the Interest Rate Swap Agreement and

(vi) the Collection Account, the Distribution Account, the Swap Account, the Cap Carryover Reserve Account and such assets that are deposited therein from time to time and any investments thereof, together with any and all income, proceeds and payments with respect thereto.

"Trustee": Wells Fargo Bank, N.A., a national banking association, or any successor Trustee appointed as herein provided.

"Uncertificated Accrued Interest": With respect to each REMIC 1 Regular Interest, REMIC 2 Regular Interest or REMIC 3 Regular Interest on each Distribution Date, an amount equal to one month's interest at the related Uncertificated REMIC 1 Pass-Through Rate, Uncertificated REMIC 2 Pass-Through Rate or Uncertificated REMIC 3 Pass-Through Rate, as applicable on the Uncertificated Principal Balance of such REMIC Regular Interest. In each case, Uncertificated Accrued Interest will be reduced by any Prepayment Interest Shortfalls and Relief Act Interest Shortfalls (allocated to such REMIC Regular Interests based on their respective entitlements to interest irrespective of any Prepayment Interest Shortfalls and Relief Act Interest Shortfalls for such Distribution Date).

"Uncertificated Notional Amount": With respect to REMIC 3 Regular Interest LTIO and each Distribution Date listed below, the aggregate Uncertificated Balance of the REMIC 2 Regular Interests ending with the designation "A" listed below:

Distribution Date	REMIC 2 Regular Interests
1	I-1-A through I-60-A, II-1-A through II-60-A and III-1-A through III-60-A
2	I-2-A through I-60-A, II-2-A through II-60-A and III-2-A through III-60-A
3	I-3-A through I-60-A, II-3-A through II-60-A and III-3-A through III-60-A
4	I-4-A through I-60-A, II-4-A through II-60-A and III-4-A through III-60-A
5	I-5-A through I-60-A, II-5-A through II-60-A and III-5-A through III-60-A
6	I-6-A through I-60-A, II-6-A through II-60-A and III-6-A through III-60-A
7	I-7-A through I-60-A, II-7-A through II-60-A and III-7-A through III-60-A
8	I-8-A through I-60-A, II-8-A through II-60-A and III-8-A through III-60-A
9	I-9-A through I-60-A, II-9-A through II-60-A and III-9-A through III-60-A
10	I-10-A through I-60-A, II-10-A through II-60-A and III-10-A through III-60-A
11	I-11-A through I-60-A, II-11-A through II-60-A and III-11-A through III-60-A
12	I-12-A through I-60-A, II-12-A through II-60-A and III-12-A through III-60-A
13	I-13-A through I-60-A, II-13-A through II-60-A and III-13-A through III-60-A
14	I-14-A through I-60-A, II-14-A through II-60-A and III-14-A through III-60-A
15	I-15-A through I-60-A, II-15-A through II-60-A and III-15-A through III-60-A
16	I-16-A through I-60-A, II-16-A through II-60-A and III-16-A through III-60-A
17	I-17-A through I-60-A, II-17-A through II-60-A and III-17-A through III-60-A
18	I-18-A through I-60-A, II-18-A through II-60-A and III-18-A through III-60-A
19	I-19-A through I-60-A, II-19-A through II-60-A and III-19-A through III-60-A
20	I-20-A through I-60-A, II-20-A through II-60-A and III-20-A through III-60-A
21	I-21-A through I-60-A, II-21-A through II-60-A and III-21-A through III-60-A
22	I-22-A through I-60-A, II-22-A through II-60-A and III-22-A through III-60-A
23	I-23-A through I-60-A, II-23-A through II-60-A and III-23-A through III-60-A
24	I-24-A through I-60-A, II-24-A through II-60-A and III-24-A through III-60-A
25	I-25-A through I-60-A, II-25-A through II-60-A and III-25-A through III-60-A
26	I-26-A through I-60-A, II-26-A through II-60-A and III-26-A through III-60-A
27	I-27-A through I-60-A, II-27-A through II-60-A and III-27-A through III-60-A
28	I-28-A through I-60-A, II-28-A through II-60-A and III-28-A through III-60-A
29	I-29-A through I-60-A, II-29-A through II-60-A and III-29-A through III-60-A
30	I-30-A through I-60-A, II-30-A through II-60-A and III-30-A through III-60-A
31	I-31-A through I-60-A, II-31-A through II-60-A and III-31-A through III-60-A
32	I-32-A through I-60-A, II-32-A through II-60-A and III-32-A through III-60-A
33	I-33-A through I-60-A, II-33-A through II-60-A and III-33-A through III-60-A
34	I-34-A through I-60-A, II-34-A through II-60-A and III-34-A through III-60-A
35	I-35-A through I-60-A, II-35-A through II-60-A and III-35-A through III-60-A
36	I-36-A through I-60-A, II-36-A through II-60-A and III-36-A through III-60-A
37	I-37-A through I-60-A, II-37-A through II-60-A and III-37-A through III-60-A
38	I-38-A through I-60-A, II-38-A through II-60-A and III-38-A through III-60-A
39	I-39-A through I-60-A, II-39-A through II-60-A and III-39-A through III-60-A
40	I-40-A through I-60-A, II-40-A through II-60-A and III-40-A through III-60-A
41	I-41-A through I-60-A, II-41-A through II-60-A and III-41-A through III-60-A
42	I-42-A through I-60-A, II-42-A through II-60-A and III-42-A through III-60-A
43	I-43-A through I-60-A, II-43-A through II-60-A and III-43-A through III-60-A
44	I-44-A through I-60-A, II-44-A through II-60-A and III-44-A through III-60-A
45	I-45-A through I-60-A, II-45-A through II-60-A and III-45-A through III-60-A
46	I-46-A through I-60-A, II-46-A through II-60-A and III-46-A through III-60-A
47	I-47-A through I-60-A, II-47-A through II-60-A and III-47-A through III-60-A
48	I-48-A through I-60-A, II-48-A through II-60-A and III-48-A through III-60-A
49	I-49-A through I-60-A, II-49-A through II-60-A and III-49-A through III-60-A
50	I-50-A through I-60-A, II-50-A through II-60-A and III-50-A through III-60-A
51	I-51-A through I-60-A, II-51-A through II-60-A and III-51-A through III-60-A
52	I-52-A through I-60-A, II-52-A through II-60-A and III-52-A through III-60-A
53	I-53-A through I-60-A, II-53-A through II-60-A and III-53-A through III-60-A
54	I-54-A through I-60-A, II-54-A through II-60-A and III-54-A through III-60-A
55	I-55-A through I-60-A, II-55-A through II-60-A and III-55-A through III-60-A
56	I-56-A through I-60-A, II-56-A through II-60-A and III-56-A through III-60-A
57	I-57-A through I-60-A, II-57-A through II-60-A and III-57-A through III-60-A
58	I-58-A through I-60-A, II-58-A through II-60-A and III-58-A through III-60-A
59	I-59-A through I-60-A, II-59-A through II-60-A and III-59-A through III-60-A

With respect to the Swap IO Interest and any Distribution Date, an amount equal to the Uncertificated Notional Amount of the REMIC 3 Regular Interest LTIO.

"Uncertificated Principal Balance": The amount of any REMIC 1 Regular Interest, REMIC 2 Regular Interest or REMIC 3 Regular Interest outstanding as of any date of determination. As of the Closing Date, the Uncertificated Balance of each REMIC 1 Regular Interest, REMIC 2 Regular Interest and REMIC 3 Regular Interest shall equal the amount set forth in the Preliminary Statement hereto as its initial uncertificated balance. On each Distribution Date, the Uncertificated Principal Balance of each REMIC 1 Regular Interest, REMIC 2 Regular Interest or REMIC 3 Regular Interest shall be reduced by all distributions of principal made on such REMIC 1 Regular Interest, REMIC 2 Regular Interest or REMIC 3 Regular Interest, as applicable, on such Distribution Date pursuant to Section 4.08 and, if and to the extent necessary and appropriate, shall be further reduced on such Distribution Date by Realized Losses as provided in Section 4.08(b). The Uncertificated Balance of REMIC 3 Regular Interest LT1ZZ shall be increased by interest deferrals as provided in Section 4.08(a)(i). The Uncertificated Balance of each REMIC 1 Regular Interest, REMIC 2 Regular Interest or REMIC 3 Regular Interest, as applicable, shall never be less than zero.

"Uncertificated REMIC 1 Pass-Through Rate": With respect to REMIC 1 Regular Interest I-1, the Weighted Average Net Mortgage Interest Rates on the Group 1 Mortgage Loans as of the first day of the month preceding the month in which the Distribution Date. With respect to REMIC 1 Regular Interest I-2, the Weighted Average Net Mortgage Interest Rates on the Group 2 Mortgage Loans as of the first day of the month preceding the month in which the Distribution Date. With respect to REMIC 1 Regular Interest I-3, the Weighted Average Net Mortgage Interest Rates on the Group 3 Mortgage Loans as of the first day of the month preceding the month in which the Distribution Date.

"Uncertificated REMIC 2 Pass-Through Rate": With respect to each REMIC 2 Group I Regular Interest ending with the designation "A," a per annum rate equal to the Weighted Average Net Mortgage Interest Rate of Loan Group 1 multiplied by 2, subject to a maximum rate of 10.690%. With respect to each REMIC 2 Group I Regular Interest ending with the designation "B," the greater of (x) a per annum rate equal to the excess, if any, of (i) 2 multiplied by the Weighted Average Net Mortgage Interest Rate of Loan Group 1 over (ii) 10.690% and (y) 0.00%. With respect to each REMIC 2 Group II Regular Interest ending with the designation "A," a per annum rate equal to the Weighted Average Net Mortgage Interest Rate of Loan Group 2 multiplied by 2, subject to a maximum rate of 10.690%. With respect to each REMIC 2 Group II Regular Interest ending with the designation "B," the greater of (x) a per annum rate equal to the excess, if any, of (i) 2 multiplied by the Weighted Average Net Mortgage Interest Rate of Loan Group 2 over (ii) 10.690% and (y) 0.00%. With respect to each REMIC 2 Group III Regular Interest ending with the designation "A," a per annum rate equal to the Weighted Average Net Mortgage Interest Rate of Loan Group 3 multiplied by 2, subject to a maximum rate of 10.690%. With respect to each REMIC 2 Group III Regular Interest ending with the designation "B," the greater of (x) a per annum rate equal to the excess, if any, of (i) 2 multiplied by the Weighted Average Net Mortgage Interest Rate of Loan Group 3 over (ii) 10.690% and (y) 0.00%.

"Uncertificated REMIC 3 Pass-Through Rate": With respect to REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9, REMIC 3 Regular Interest LT1B, REMIC 3 Regular Interest LT1ZZ, REMIC 3 Regular Interest LT1SUB, REMIC 3 Regular Interest LT2SUB, REMIC 3 Regular Interest LT3SUB and REMIC 3 Regular Interest LT1XX, a per annum rate (but not less than zero) equal to the weighted average of (x) with respect to REMIC 2 Regular Interests ending with the designation "B," the weighted average of the Uncertificated REMIC 2 Pass-Through Rates for such REMIC 2 Regular Interests, weighted on the basis of the Uncertificated Balance of such REMIC 2 Regular Interests for each such Distribution Date and (y) with respect to REMIC 2 Regular Interests ending with the designation "A," for each Distribution Date listed below, the weighted average of the rates listed below for each such REMIC 2 Regular Interest listed below, weighted on the basis of the Uncertificated Balance of each such REMIC 2 Regular Interest for each such Distribution Date:

Distribution Date	REMIC 2 Regular Interest	Pass-Through Rate
1	I-1-A through I-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
	II-1-A through II-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
	III-1-A through III-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
2	I-2-A through I-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
	II-2-A through II-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
	III-2-A through III-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
3	I-1-A	Uncertificated REMIC 2 Pass-Through Rate
	II-1-A	Uncertificated REMIC 2 Pass-Through Rate
	III-1-A	Uncertificated REMIC 2 Pass-Through Rate
	I-3-A through I-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate















58	III-1-A through III-58-A I-58-A and I-60-A  II-58-A and II-60-A  III-58-A and III-60-A  I-1-A through I-57-A II-1-A through II-57-A III-1-A through III-57-A	Uncertificated REMIC 2 Pass-Through Rate 2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate 2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate 2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
59	I-59-A and I-60-A  II-59-A and II-60-A  III-59-A and III-60-A  I-1-A through I-58-A II-1-A through II-58-A III-1-A through III-58-A I-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate 2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate 2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate 2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
60	II-60-A  III-60-A  I-1-A through I-59-A II-1-A through II-59-A III-1-A through III-59-A I-1-A through I-60-A II-1-A through II-60-A III-1-A through III-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate 2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate 2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
thereafter	I-1-A through I-60-A II-1-A through II-60-A III-1-A through III-60-A	Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate

With respect to REMIC 3 Regular Interest LT1GRP, a per annum rate (but not less than zero) equal to the weighted average of (x) with respect to REMIC 2 Group I Regular Interests ending with the designation "B," the weighted average of the Uncertificated REMIC 2 Pass-Through Rates for such REMIC 2 Regular Interests, weighted on the basis of the Uncertificated Balance of each such REMIC 2 Regular Interest for each such Distribution Date and (y) with respect to REMIC 2 Group I Regular Interests ending with the designation "A," for each Distribution Date listed below, the weighted average of the rates listed below for such REMIC 2 Regular Interests listed below, weighted on the basis of the Uncertificated Balance of each such REMIC 2 Regular Interest for each such Distribution Date:

Distribution Date	REMIC 2 Regular Interest	Rate
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1	I-1-A through I-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
2	I-2-A through I-60-A  I-1-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate  Uncertificated REMIC 2 Pass-Through Rate
3	I-3-A through I-60-A  I-1-A and I-2-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate  Uncertificated REMIC 2 Pass-Through Rate
4	I-4-A through I-60-A  I-1-A through I-3-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate  Uncertificated REMIC 2 Pass-Through Rate
5	I-5-A through I-60-A  I-1-A through I-4-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate  Uncertificated REMIC 2 Pass-Through Rate
6	I-6-A through I-60-A  I-1-A through I-5-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate  Uncertificated REMIC 2 Pass-Through Rate
7	I-7-A through I-60-A  I-1-A through I-6-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate  Uncertificated REMIC 2 Pass-Through Rate
8	I-8-A through I-60-A  I-1-A through I-7-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate  Uncertificated REMIC 2 Pass-Through Rate
9	I-9-A through I-60-A  I-1-A through I-8-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate  Uncertificated REMIC 2 Pass-Through Rate
10	I-10-A through I-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate







	I-1-A through I-50-A	Uncertificated REMIC 2 Pass-Through Rate
52	I-52-A through I-60-A I-1-A through I-51-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
53	I-53-A through I-60-A I-1-A through I-52-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
54	I-54-A through I-60-A I-1-A through I-53-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
55	I-55-A through I-60-A I-1-A through I-54-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
56	I-56-A through I-60-A I-1-A through I-55-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
57	I-57-A through I-60-A I-1-A through I-56-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
58	I-58-A through I-60-A I-1-A through I-57-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
59	I-59-A and I-60-A I-1-A through I-58-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
60	I-60-A I-1-A through I-59-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
	thereafter I-1-A through I-60-A	Uncertificated REMIC 2 Pass-Through Rate

With respect to REMIC 3 Regular Interest LT2GRP, a per annum rate (but not less than zero) equal to the weighted average of (x) with respect to REMIC 2 Group II Regular Interests ending with the designation "B," the weighted average of the Uncertificated REMIC 2 Pass-Through Rates for such REMIC 2 Regular Interests, weighted on the basis of the Uncertificated Balance of each such REMIC 2 Regular Interest for each such Distribution Date and (y) with respect to REMIC 2 Group II Regular Interests ending with the designation "A," for each Distribution Date listed below, the weighted average of the rates listed below for such REMIC 2 Regular Interests listed below, weighted on the basis of the Uncertificated Balance of each such REMIC 2 Regular Interest for each such Distribution Date:

Distribution Date	REMIC 2 Regular Interest	Rate
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1	II-1-A through II-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
2	II-2-A through II-60-A II-1-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
3	II-3-A through II-60-A II-1-A and II-2-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
4	II-4-A through II-60-A II-1-A through II-3-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
5	II-5-A through II-60-A II-1-A through II-4-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
6	II-6-A through II-60-A II-1-A through II-5-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
7	II-7-A through II-60-A II-1-A through II-6-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
8	II-8-A through II-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate





	II-1-A through II-48-A	Uncertificated REMIC 2 Pass-Through Rate
50	II-50-A through II-60-A II-1-A through II-49-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
51	II-51-A through II-60-A II-1-A through II-50-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
52	II-52-A through II-60-A II-1-A through II-51-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
53	II-53-A through II-60-A II-1-A through II-52-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
54	II-54-A through II-60-A II-1-A through II-53-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
55	II-55-A through II-60-A II-1-A through II-54-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
56	II-56-A through II-60-A II-1-A through II-55-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
57	II-57-A through II-60-A II-1-A through II-56-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
58	II-58-A through II-60-A II-1-A through II-57-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
59	II-59-A and II-60-A II-1-A through II-58-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
60	II-60-A II-1-A through II-59-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
thereafter	II-1-A through II-60-A	Uncertificated REMIC 2 Pass-Through Rate

With respect to REMIC 3 Regular Interest LT3GRP, a per annum rate (but not less than zero) equal to the weighted average of (x) with respect to REMIC 2 Group III Regular Interests ending with the designation "B," the weighted average of the Uncertificated REMIC 2 Pass-Through Rates for such REMIC 2 Regular Interests, weighted on the basis of the Uncertificated Balance of each such REMIC 2 Regular Interest for each such Distribution Date and (y) with respect to REMIC 2 Group III Regular Interests ending with the designation "A," for each Distribution Date listed below, the weighted average of the rates listed below for such REMIC 2 Regular Interests listed below, weighted on the basis of the Uncertificated Balance of each such REMIC 2 Regular Interest for each such Distribution Date:

Distribution Date	REMIC 2 Regular Interest	Rate
1	III-1-A through III-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate
2	III-2-A through III-60-A III-1-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
3	III-3-A through III-60-A III-1-A and III-2-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
4	III-4-A through III-60-A III-1-A through III-3-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
5	III-5-A through III-60-A III-1-A through III-4-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
6	III-6-A through III-60-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate





48	III-48-A through III-60-A III-1-A through III-47-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
49	III-49-A and III-60-A III-1-A through III-48-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
50	III-50-A through III-60-A III-1-A through III-49-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
51	III-51-A through III-60-A III-1-A through III-50-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
52	III-52-A through III-60-A III-1-A through III-51-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
53	III-53-A through III-60-A III-1-A through III-52-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
54	III-54-A through III-60-A III-1-A through III-53-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
55	III-55-A through III-60-A III-1-A through III-54-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
56	III-56-A through III-60-A III-1-A through III-55-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
57	III-57-A through III-60-A III-1-A through III-56-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
58	III-58-A through III-60-A III-1-A through III-57-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
59	III-59-A and III-60-A III-1-A through III-58-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
60	III-60-A III-1-A through III-59-A	2 multiplied by Swap LIBOR, subject to a maximum rate of Uncertificated REMIC 2 Pass-Through Rate Uncertificated REMIC 2 Pass-Through Rate
	thereafter III-1-A through III-60-A	Uncertificated REMIC 2 Pass-Through Rate

With respect to REMIC 3 Regular Interest LTIO and Distribution Dates 1 through 60, a per annum rate equal to the excess, if any, of (i) 10.690% minus (ii) 2 times Swap LIBOR.

"United States Person" or "U.S. Person": (i) A citizen or resident of the United States, (ii) a corporation, partnership or other entity treated as a corporation or partnership for United States federal income tax purposes organized in or under the laws of the United States or any state thereof or the District of Columbia (unless, in the case of a partnership, Treasury Regulations provide otherwise), (iii) an estate the income of which is includible in gross income for United States tax purposes, regardless of its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in Treasury Regulations, certain Trusts in existence on August 20, 1996, and treated as United States persons prior to such date, that elect to continue to be treated as United States persons will also be a U.S. Person; provided, that for purposes of the definition of a "Permitted Transferee," a U.S. Person shall not include any person whose income is attributable to a foreign permanent establishment or fixed base, within the meaning of an applicable income tax treaty, of such Person or any other U.S. Person.

"Unpaid Realized Loss Amount": For any of 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, Class M-9 and Class B Certificates and as to any Distribution Date, the excess of (x) the aggregate Applied Realized Loss Amounts allocated to such Class for all prior Distribution Dates over (y) the sum of (a) the cumulative amount of any Subsequent Recoveries allocated to such Class and (b) the aggregate Realized Loss Amortization Amounts with respect to such Class for all prior Distribution Dates.

"Value": With respect to any Mortgaged Property, the lesser of:

(i) an amount determined by an appraisal done at origination of the Mortgage Loan; provided, however, such amount may be reduced to reflect the results of a review of such appraisal in accordance with the related Originator's underwriting guidelines and (ii) the purchase price paid for such Mortgaged Property by the Mortgagor with the proceeds of the Mortgage Loan; provided, however, that in the case of a refinanced Mortgage Loan, the value of the Mortgaged Property is based solely on clause (i).

"Voting Rights": The portion of the voting rights of all of the Certificates which is allocated to any Certificate. The Voting Rights allocated among Holders of the Offered Certificates and the Class B Certificates shall be 98%, and shall be allocated among each such Class according to the fraction, expressed as a percentage, the numerator of which is the aggregate Certificate Principal Balance of all the Certificates of such Class then outstanding and the denominator of which is the aggregate Certificate Principal Balance of all the Offered Certificates and the Class B Certificates then outstanding. The Voting Rights allocated to each such Class of Certificates shall be allocated among all holders of each such Class in proportion to the outstanding Certificate Principal Balance of such Certificates; provided, however, that any Certificate registered in the name of the Servicer, the Depositor or the Trustee or any of their respective affiliates shall not be included in the calculation of Voting Rights; provided that only such Certificates as are known by a Responsible Officer of the Trustee to be so registered will be so excluded. 1% of all the Voting Rights will be allocated to the Holders of each of the Class CE and Class P Certificates. The Residual Certificates shall have no Voting Rights.

"Weighted Average Net Maximum Mortgage Interest Rate": The weighted average (based on Principal Balance as of the first day of the related Collection Period or, in the case of the first Distribution Date, the Cut-Off Date) of the Net Maximum Mortgage Interest Rates of the Mortgage Loans, the Group 1 Mortgage Loans, the Group 2 Mortgage Loans or the Group 3 Mortgage Loans, as applicable, expressed for each such Mortgage Loan as an annual rate and calculated on the basis of twelve months consisting of 30 days each and a 360-day year.

"Weighted Average Net Mortgage Interest Rate": The weighted average (based on Principal Balance as of the first day of the related Collection Period or, in the case of the first Distribution Date, the Cut-Off Date) of the Net Mortgage Interest Rates of the Mortgage Loans, the Group 1 Mortgage Loans, the Group 2 Mortgage Loans or the Group 3 Mortgage Loans, as applicable, expressed for each such Mortgage Loan as an annual rate and calculated on the basis of twelve months consisting of 30 days each and a 360-day year. With respect to the Distribution Date in September 2006, the Weighted Average Net Mortgage Interest Rate of the Group 3 Mortgage Loans shall be multiplied by a fraction, the numerator of which is 528,008,647 and the denominator of which is 622,143,497.

"Written Order to Authenticate": A written order by which the Depositor directs the Trustee to execute, authenticate and deliver the Certificates.

#### Section 1.02 Accounting.

Unless otherwise specified herein, for the purpose of any definition or calculation, whenever amounts are required to be netted, subtracted or added or any distributions are taken into account such definition or calculation and any related definitions or calculations shall be determined without duplication of such functions.

#### Section 1.03 Rights of the NIMS Insurer.

Each of the rights of the NIMS Insurer set forth in this Agreement shall exist so long as (i) the NIMS Insurer has undertaken to guarantee certain payments of notes issued pursuant to the Indenture and (ii) any series of notes issued pursuant to the Indenture remains outstanding or the NIMS Insurer is owed amounts in respect of its guarantee of payment on such notes; provided, however, the NIMS Insurer shall not have any rights hereunder (except pursuant to Section 11.01 in the case of clause (ii) below) during the period of time, if any, that (i) the NIMS Insurer has not undertaken to guarantee certain payments of notes issued pursuant to the Indenture or (ii) any default has occurred and is continuing under the insurance policy issued by the NIMS Insurer with respect to such notes.

#### Section 1.04 Fiscal Year

The fiscal year of the Trust will be the calendar year.

## ARTICLE II

### CONVEYANCE OF MORTGAGE LOANS; ORIGINAL ISSUANCE OF CERTIFICATES

#### Section 2.01 Conveyance of Mortgage Loans.

The Depositor, concurrently with the execution and delivery hereof, does hereby transfer, assign, set over and otherwise convey to the Trustee, on behalf of the Trust, without recourse for the benefit of the Certificateholders all the right, title and interest of the Depositor, including any security interest therein for the benefit of the Depositor, in and to (i) each Initial Mortgage Loan identified on the Mortgage Loan Schedules, including the related Cut-off Date Principal Balance, all interest accruing thereon after the Cut-off Date and all collections in respect of interest and principal due after the Cut-off Date; (ii) property which secured each such Initial Mortgage Loan and which has been acquired by foreclosure or deed in lieu of foreclosure; (iii) its interest in any insurance policies in respect of the Initial Mortgage Loans; (iv) all other assets included or to be included in the Trust



Fund; (v) all proceeds of any of the foregoing, (vi) the rights of the Depositor under the Consulting Agreement, and (vii) the rights of the Depositor under each Originator Mortgage Loan Purchase Agreement and the Mortgage Loan Purchase Agreement. Such assignment includes all interest and principal due to the Depositor or the Servicer after the Cut-off Date with respect to the Mortgage Loans.

In connection with such transfer and assignment, the Depositor does hereby deliver to, and deposit with the Trustee, or its designated agent, the following documents or instruments with respect to each Initial Mortgage Loan so transferred and assigned and the Depositor, shall, in accordance with

Section 2.04, deliver or caused to be delivered to the Trustee with respect to each Additional Group 3 Mortgage Loan, the following documents or instruments (a "Mortgage File") so transferred and assigned:

- (i) the original Mortgage Note, endorsed in blank or with respect to any lost Mortgage Note, an original Lost Note Affidavit, together with a copy of the related Mortgage Note;
- (ii) the original Mortgage with evidence of recording thereon, and the original recorded power of attorney, if the Mortgage was executed pursuant to a power of attorney, with evidence of recording thereon or, if such Mortgage or power of attorney has been submitted for recording but has not been returned from the applicable public recording office, has been lost or is not otherwise available, a copy of such Mortgage or power of attorney, as the case may be, certified to be a true and complete copy of the original submitted for recording;
- (iii) an original Assignment (which may be in blank), in form and substance acceptable for recording; provided, however, if the related Mortgage has been recorded in the name of Mortgage Electronic Registration Systems, Inc. ("MERS") or its designee, no Assignment in favor of the Trustee will be required to be prepared or delivered and instead, the Servicer shall take all actions as are necessary to cause the Trust to be shown as the owner of the related Mortgage Loan on the records of MERS for purposes of the system of recording transfers of beneficial ownership of mortgages maintained by MERS;
- (iv) an original copy of any intervening assignment of Mortgage showing a complete chain of assignments;
- (v) the original or a certified copy of lender's title insurance policy; and
- (vi) the original or copies of each assumption, modification, written assurance or substitution agreement, if any.

The Trustee agrees to execute and deliver to the Depositor (i) with respect to the Initial Mortgage Loans, on or prior to the Closing Date, an acknowledgment of receipt of the original Mortgage Notes relating to the Initial Mortgage Loans (with any exceptions noted), substantially in the form attached as Exhibit F-3 hereto and (ii) with respect to the Additional Group 3 Mortgage Loans, on or prior to the Additional Transfer Date, an acknowledgment of receipt of the original Mortgage Notes relating to the Additional Group 3 Mortgage Loans (with any exceptions noted).

If any of the documents referred to in Section 2.01(ii), (iii) or (iv) above have as of the Closing Date (or the Additional Transfer Date, with respect to the Additional Group 3 Mortgage Loans) been submitted for recording but either (x) has not been returned from the applicable public recording office or (y) has been lost or such public recording office has retained the original of such document, the obligations of the Depositor to deliver such documents shall be deemed to be satisfied upon (1) delivery to the Trustee no later than the Closing Date (or the Additional Transfer Date, with respect to the Additional Group 3 Mortgage Loans), of a copy of each such document certified by the Seller in the case of (x) above or the applicable public recording office in the case of (y) above to be a true and complete copy of the original that was submitted for recording and (2) if such copy is certified by the Seller, delivery to the Trustee, promptly upon receipt thereof of either the original or a copy of such document certified by the applicable public recording office to be a true and complete copy of the original. The Depositor shall deliver or cause to be delivered to the Trustee promptly upon receipt thereof any other documents constituting a part of a Mortgage File received with respect to any Mortgage Loan, including, but not limited to, any original documents evidencing an assumption or modification of any Mortgage Loan.

Upon discovery or receipt of notice of any materially defective document in, or that a document is missing from, a Mortgage File, the Seller shall have 120 days to cure such defect or 150 days following the Closing Date (or Additional Transfer Date, with respect to the Additional Group 3 Mortgage Loans), in the case of missing Mortgages or Assignments or deliver such missing document to the Trustee. If the Seller does not cure such defect or deliver such missing document within such time period, the Seller shall either repurchase or substitute for such Mortgage Loan in accordance with Section 2.03.

The Depositor herewith delivers to the Trustee executed copies of the Originator Mortgage Loan Purchase Agreements and the Mortgage Loan Purchase Agreement.

The Depositor hereby directs the Trustee to execute, deliver and perform its obligations, on behalf of the Trust, under the Interest Rate Swap Agreement and to make the representations of the Trust contained therein.

It is agreed and understood by the parties hereto that it is not intended that any mortgage loan be included in the Trust that is a "High-Cost Home Loan" as defined in any of (i) the New Jersey Home Ownership Act effective November 27, 2003, (ii) the New Mexico Home Loan Protection Act, effective January 1, 2004, (iii) the Massachusetts Predatory Home Loan Practices Act, effective November 7, 2004 or (iv) the Indiana Home Loan Practices Act, effective January 1, 2005.

Concurrently with the execution and delivery of this Agreement, the Depositor shall deliver the Mortgage Loan Schedule to the Trustee and the Servicer. The Depositor and the Trustee shall provide a copy of the Mortgage Loan Schedule to any Certificateholders upon written request made to it at the addresses set forth on Exhibit D, as the same may be amended from time to time by written notice from such party to the other parties hereto.

#### Section 2.02 Acceptance by Trustee.

The Trustee acknowledges the receipt of, subject to the provisions of Section 2.01 and subject to the review described below and any exceptions noted on the exception report described in the next paragraph below, the documents referred to in Section 2.01 above and all other assets included in the definition of "Trust Fund" and declares that it holds and will hold such documents and the other documents delivered to it constituting a Mortgage File, and that it holds or will hold all such assets and such other assets included in the definition of "Trust Fund" in trust for the exclusive use and benefit of all present and future Certificateholders.

The Trustee agrees, for the benefit of the Certificateholders, to review each Mortgage File within 60 days after the Closing Date, with respect to each Initial Mortgage Loan, or the Additional Transfer Date, with respect to each Additional Group 3 Mortgage Loan (or, with respect to any document delivered after the Startup Day (in the case of the Initial Mortgage Loans) or the Additional Transfer Date (in the case of the Additional Group 3 Mortgage Loans), within 60 days of receipt and with respect to any Eligible Substitute Mortgage Loan, within 60 days after the assignment thereof) and to certify in substantially the form attached hereto as Exhibit F-1 that, as to each Initial Mortgage Loan listed in the Mortgage Loan Schedules (other than any Mortgage Loan paid in full or any Mortgage Loan specifically identified in the exception report annexed thereto as not being covered by such certification), (i) all documents required to be delivered to it pursuant to Section 2.01 of this Agreement are in its possession, (ii) such documents have been reviewed by it and have not been mutilated, damaged or torn and relate to such Mortgage Loan and (iii) based on its examination and only as to the foregoing, the information set forth in the Mortgage Loan Schedules that corresponds to items (1), (2), (10) and (22) of the Mortgage Loan Schedules accurately reflects information set forth in the Mortgage File. It is herein acknowledged that, in conducting such review, the Trustee is under no duty or obligation to inspect, review or examine any such documents, instruments, certificates or other papers to determine that they are genuine, enforceable, or appropriate for the represented purpose or that they have actually been recorded or that they are other than what they purport to be on their face.

Prior to the first anniversary date of this Agreement the Trustee shall deliver to the Depositor, the Servicer and the NIMS Insurer a final certification in the form annexed hereto as Exhibit F-2 evidencing the completeness of the Mortgage Files, with any applicable exceptions noted thereon.

If in the process of reviewing the Mortgage Files and making or preparing, as the case may be, the certifications referred to above, the Trustee finds any document or documents constituting a part of a Mortgage File to be missing or defective in any material respect, at the conclusion of its review the Trustee shall so notify the Seller, the Depositor, the NIMS Insurer and the Servicer. In addition, upon the discovery by the Originators, the Seller, the Depositor, the NIMS Insurer, the Trustee or the Servicer (or upon receipt by the Trustee of written notification of such breach) of a breach of any of the representations and warranties made by the related Originator in the applicable Originator Mortgage Loan Purchase Agreement or the Seller in the Mortgage Loan Purchase Agreement or an Additional Mortgage Loan Purchase Agreement in respect of any Mortgage Loan which materially adversely affects such Mortgage Loan or the interests of the related Certificateholders in such Mortgage Loan, the party discovering such breach shall give prompt written notice to the other parties. Notwithstanding the foregoing, any breach of a Deemed Material and Adverse Representation with respect to a Group 1 Mortgage Loan or Group 2 Mortgage Loan shall automatically be deemed to materially and adversely affect such Mortgage Loan or the interest of the related Certificateholders therein.

The Depositor and the Trustee intend that the assignment and transfer herein contemplated constitute a sale of the Mortgage Loans and the Related Documents, conveying good title thereto free and clear of any liens and encumbrances, from the Depositor to the Trustee and that such property not be part of the Depositor's estate or property of the Depositor in the event of any insolvency by the Depositor. In the event that such conveyance is deemed to be, or to be made as security for, a loan, the parties intend that the Depositor shall be deemed to have granted and does hereby grant to the Trustee, on behalf of the Trust, a first priority perfected security interest in all of the Depositor's right, title and interest in and to the Initial Mortgage Loans and the Related Documents, and that this Agreement shall constitute a security agreement under applicable law.

#### Section 2.03 Repurchase or Substitution of Mortgage Loans by the Originators or the Seller.

(a) Upon discovery or receipt of written notice of any materially defective document in, or that a document is missing from, a Mortgage File or of the breach by the Originators or the Seller of any representation or warranty under the related Originator Mortgage Loan Purchase Agreement, the Mortgage Loan Purchase Agreement or Additional Mortgage Loan Purchase Agreement, as applicable, in respect of any Mortgage Loan which materially adversely affects the value of such Mortgage Loan, Prepayment Charge or the interest therein of the Certificateholders, the Trustee shall promptly notify the applicable Originator or the Seller, as the case may be, the Servicer and the NIMS Insurer of such defect, missing document or breach and request that, in the case of a defective or missing document, the Seller cure such defect or deliver such missing document within 120 days from the date the Seller was notified of such missing document or defect or, in the case of a breach of a representation or warranty, request the related Originator or the Seller, as applicable, cure such breach within 90 days from the date the applicable Originator or the Seller, as the case may be, was notified of such breach. Notwithstanding the foregoing, any breach of a Deemed Material and Adverse Representation with respect to a Group 1 Mortgage Loan or Group 2 Mortgage Loan shall automatically be deemed to materially and adversely affect such Mortgage Loan or the interest of the related Certificateholders therein. If the Seller does not deliver such missing document or cure such defect or if the related Originator or the Seller, as applicable, does not cure such breach in all material respects

during such period, the Trustee shall enforce such Originator's or the Seller's obligation, as the case may be, under the applicable Originator Mortgage Loan Purchase Agreement or the Mortgage Loan Purchase Agreement, or Additional Mortgage Loan Purchase Agreement as applicable, and cause such Originator or the Seller, as applicable, to repurchase such Mortgage Loan from the Trust Fund at the Purchase Price on or prior to the Determination Date following the expiration of such period (subject to Section 2.03(d)). The Purchase Price for the repurchased Mortgage Loan shall be deposited in the Collection Account, and the Trustee, upon receipt of written notice from the Servicer of such deposit, shall release to the related Originator or the Seller, as applicable, the related Mortgage File and shall execute and deliver such instruments of transfer or assignment, in each case without recourse, as such Originator or the Seller, as applicable, shall furnish to it and as shall be necessary to vest in such Originator or the Seller, as the case may be, any Mortgage Loan released pursuant hereto and the Trustee shall have no further responsibility with regard to such Mortgage File. In lieu of repurchasing any such Mortgage Loan as provided above, the related Originator or the Seller, as the case may be, may cause such Mortgage Loan to be removed from the Trust Fund (in which case it shall become a Defective Mortgage Loan) and substitute one or more Eligible Substitute Mortgage Loans in the manner and subject to the limitations set forth in Section 2.03(c).

With respect to the representations and warranties set forth in the applicable Originator Mortgage Loan Purchase Agreement, the Mortgage Loan Purchase Agreement or the Additional Mortgage Loan Purchase Agreement that are made to the best of the related Originator's or the Seller's knowledge, as applicable, or as to which such Originator or the Seller, as the case may be, has no knowledge, if it is discovered by the Depositor, the Servicer, the NIMS Insurer or the Trustee that the substance of such representation and warranty is inaccurate and such inaccuracy materially and adversely affects the value of the related Mortgage Loan, Prepayment Charge or the interest therein of the Certificateholders then, notwithstanding such Originator's or the Seller's lack of knowledge with respect to the substance of such representation and warranty being inaccurate at the time the representation or warranty was made, such inaccuracy shall be deemed a breach of the applicable representation or warranty.

It is understood and agreed that the representations and warranties set forth in the applicable Originator Mortgage Loan Purchase Agreement, the Mortgage Loan Purchase Agreement or Additional Mortgage Loan Purchase Agreement shall survive delivery of the Mortgage Files to the Trustee and the Closing Date and shall inure to the benefit of the Certificateholders notwithstanding any restrictive or qualified endorsement or assignment. It is understood and agreed that the obligations of the Originators and the Seller set forth in this Section 2.03(a) to cure, substitute for or repurchase a Mortgage Loan pursuant to the related Originator Mortgage Loan Purchase Agreement, the Mortgage Loan Purchase Agreement or Additional Mortgage Loan Purchase Agreement, as applicable, and to pay the Reimbursement Amount constitute the sole remedies available to the Certificateholders and to the Trustee on their behalf respecting a breach of the representations and warranties contained in the Originator Mortgage Loan Purchase Agreement, Mortgage Loan Purchase Agreement and Additional Mortgage Loan Purchase Agreement.

The representations and warranties of the applicable Originator with respect to the Mortgage Loans in the respective Originator Mortgage Loan Purchase Agreement, which have been assigned to the Trustee hereunder, were made as of the dates specified in the applicable Originator Mortgage Loan Purchase Agreement. To the extent that any fact, condition or event with respect to a Mortgage Loan constitutes a breach of both (i) a representation or warranty of the applicable Originator under the respective Originator Mortgage Loan Purchase Agreement and (ii) a representation or warranty of the Seller under the Mortgage Loan Purchase Agreement or Additional Mortgage Loan Purchase Agreement (other than Seller's representations with respect to predatory and abusive lending laws in Section 3.01(k) and 3.01(s) of the Mortgage Loan Purchase Agreement), the only right or remedy of the Trustee or of any Certificateholder shall be the Trustee's right to enforce the obligations of the applicable Originator under any applicable representation or warranty made by it. The Trustee acknowledges that the Seller shall have no obligation or liability with respect to any breach of a representation or warranty made by it with respect to the Mortgage Loans (except as otherwise set forth in this paragraph) if the fact, condition or event constituting such breach also constitutes a breach of a representation or warranty made by the applicable Originator in the respective Originator Mortgage Loan Purchase Agreement, without regard to whether such Originator fulfills its contractual obligations in respect of such representation or warranty. In addition, to the extent that any fact, condition or event with respect to a Mortgage Loan constitutes a breach of both (x) the Option One Mortgage Corporation's representation with respect to predatory and abusive lending laws in Section 3.03(i) or 3.03(ddd) of the Option One Sale Agreement or Ownit Mortgage's representations and warranties set forth in clauses (g), (tt), (uu), (vv) or (nnn) of Section 9.02 of the Ownit Sale Agreement and (y) the Seller's representation with respect to predatory and abusive lending laws in Section 3.01(k) or 3.01(s) of the Mortgage Loan Purchase Agreement, such Originator shall be obligated to pay the Reimbursement Amount relating to such Mortgage Loan, and, to the extent such Originator fails to do so, the Trustee shall be entitled to enforce the Seller's obligation to pay such Reimbursement Amount. In any event, the Reimbursement Amount shall be delivered to the Servicer for deposit into the Collection Account within 10 days from the date the Seller was notified by the Trustee of the Reimbursement Amount.

(b) Within 90 days of the earlier of discovery by the Servicer or receipt of notice by the Servicer of the breach of any representation, warranty or covenant of the Servicer set forth in Section 2.05 which materially and adversely affects the interests of the Certificateholders in any Mortgage Loan, the Servicer shall cure such breach in all material respects.

(c) Any substitution of Eligible Substitute Mortgage Loans for Defective Mortgage Loans made pursuant to Section 2.03(a) must be effected prior to the last Business Day that is within two years after the Closing Date. As to any Defective Mortgage Loan for which an Originator or the Seller substitutes an Eligible Substitute Mortgage Loan or Loans, such substitution shall be effected by such Originator or the Seller, as applicable, delivering to the Trustee for such Eligible Substitute Mortgage Loan or Loans, the Mortgage Note, the Mortgage, the Assignment to the Trustee, and such other documents and agreements, with all necessary endorsements thereon, as are required by Section 2.01, together with an Officers' Certificate providing that each such Eligible Substitute Mortgage Loan satisfies the definition thereof and specifying the Substitution Adjustment Amount (as described below), if any, in connection with such substitution. The Trustee shall acknowledge receipt for such Eligible Substitute Mortgage Loan or Loans and, within ten Business Days thereafter, shall review such documents as specified in Section 2.02 and deliver to the Servicer and the NIMS Insurer, with respect to such Eligible Substitute Mortgage Loan or Loans, a certification

substantially in the form attached hereto as Exhibit F-1, with any applicable exceptions noted thereon. Within one year of the date of substitution, the Trustee shall deliver to the Servicer and the NIMS Insurer a certification substantially in the form of Exhibit F-2 hereto with respect to such Eligible Substitute Mortgage Loan or Loans, with any applicable exceptions noted thereon. Monthly Payments due with respect to Eligible Substitute Mortgage Loans in the month of substitution are not part of the Trust Fund and will be retained by the related Originator or the Seller, as applicable. For the month of substitution, distributions to Certificateholders will reflect the collections and recoveries in respect of such Defective Mortgage Loan in the Collection Period or Prepayment Period, as applicable, preceding the date of substitution and the Depositor, an Originator or the Seller, as the case may be, shall thereafter be entitled to retain all amounts subsequently received in respect of such Defective Mortgage Loan. The Depositor shall give or cause to be given written notice to the Certificateholders and the NIMS Insurer that such substitution has taken place, shall amend the applicable Mortgage Loan Schedule to reflect the removal of such Defective Mortgage Loan from the terms of this Agreement and the substitution of the Eligible Substitute Mortgage Loan or Loans and shall deliver a copy of such amended Mortgage Loan Schedule to the Trustee and the NIMS Insurer. Upon such substitution, such Eligible Substitute Mortgage Loan or Loans shall constitute part of the Mortgage Pool and shall be subject in all respects to the terms of this Agreement and, in the case of a substitution effected by an Originator or the Seller, the applicable Originator Mortgage Loan Purchase Agreement or the Mortgage Loan Purchase Agreement or Additional Mortgage Loan Purchase Agreement, as the case may be, including, in the case of a substitution effected by such Originator or the Seller, all applicable representations and warranties thereof included in such Originator Mortgage Loan Purchase Agreement, Mortgage Loan Purchase Agreement or Additional Mortgage Loan Purchase Agreement, as the case may be, as of the date of substitution.

For any month in which an Originator or the Seller substitutes one or more Eligible Substitute Mortgage Loans for one or more Defective Mortgage Loans, the Servicer will determine the amount (the "Substitution Adjustment Amount"), if any, by which the aggregate Purchase Price of all such Defective Mortgage Loans exceeds the aggregate, as to each such Eligible Substitute Mortgage Loan, of the principal balance thereof as of the date of substitution, together with one month's interest on such principal balance at the applicable Net Mortgage Interest Rate. On the date of such substitution, the related Originator or the Seller, as the case may be, will deliver or cause to be delivered to the Servicer for deposit in the Collection Account an amount equal to the Substitution Adjustment Amount, if any, and the Trustee, upon receipt of the related Eligible Substitute Mortgage Loan or Loans and notice by the Servicer of such deposit, shall release to such Originator or the Seller, as applicable, the related Mortgage File or Files and shall execute and deliver such instruments of transfer or assignment, in each case without recourse, as such Originator or the Seller, as the case may be, shall deliver to it and as shall be necessary to vest therein any Defective Mortgage Loan released pursuant hereto. In addition, such Originator or the Seller, as applicable, shall obtain at its own expense and deliver to the Trustee and the NIMS Insurer an Opinion of Counsel to the effect that such substitution will not cause (a) any federal tax to be imposed on the Trust Fund, including without limitation, any federal tax imposed on "prohibited transactions" under Section 860F(a)(1) of the Code or on "contributions after the startup date" under Section 860G(d)(1) of the Code, or (b) any REMIC to fail to qualify as a REMIC at any time that any Certificate is outstanding. If such Opinion of Counsel can not be delivered, then such substitution may only be effected at such time as the required Opinion of Counsel can be given.

(d) Upon discovery by an Originator, the Seller, the Servicer, the NIMS Insurer or the Trustee that any Mortgage Loan does not constitute a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code, the party discovering such fact shall within two Business Days give written notice thereof to the other parties. In connection therewith, such Originator or the Seller, as applicable, shall repurchase or, subject to the limitations set forth in Section 2.03(c), substitute one or more Eligible Substitute Mortgage Loans for the affected Mortgage Loan within 90 days of the earlier of discovery or receipt of such notice with respect to such affected Mortgage Loan. In addition, upon discovery that a Mortgage Loan is defective in a manner that would cause it to be a "defective obligation" within the meaning of Treasury Regulations relating to REMICs, such Originator or the Seller, as the case may be, shall cure the defect or make the required purchase or substitution no later than 90 days after the discovery of the defect. Any such repurchase or substitution shall be made in the same manner as set forth in Section 2.03(a). The Trustee shall reconvey to such Originator or the Seller, as applicable, the Mortgage Loan to be released pursuant hereto in the same manner, and on the same terms and conditions, as it would a Mortgage Loan repurchased for breach of a representation or warranty.

(e) If a Mortgagor is forty-five (45) days or more delinquent with respect to a Mortgage Loan's first Monthly Payment that was due the Seller after its initial purchase under the Option One Sale Agreement, the Servicer, at the Seller's option, shall repurchase such Mortgage Loan at the purchase price set forth in the Option One Sale Agreement plus accrued and unpaid interest thereon from the date to which interest was last paid through the last day of the month in which such repurchase takes place at the applicable Mortgage Loan Remittance Rate (as such term is defined in the Option One Sale Agreement); provided, however, the Servicer's obligation to repurchase any such Mortgage Loan pursuant to this paragraph shall expire 150 days following the related Closing Date (as such term is defined in the Option One Sale Agreement)."

#### Section 2.04 Conveyance of the Additional Group 3 Mortgage Loans.

(a) Subject to the conditions set forth in paragraph (b) below, in consideration of the Trustee's delivery on the Additional Transfer Dates to or upon the order of the Depositor of all or a portion of the balance of funds in the Group 3 Pre-Funding Account, the Depositor shall on any Additional Transfer Date sell, transfer, assign, set over and convey without recourse to the Trust Fund but subject to the other terms and provisions of this Agreement all of the right, title and interest of the Depositor in and to (i) the Additional Group 3 Mortgage Loans identified on the Schedule of Additional Mortgage Loans attached to the related Additional Transfer Instrument delivered by the Depositor on such Additional Transfer Date, (ii) all interest accruing thereon on and after the Subsequent Cut-off Date and all collections in respect of interest and principal due after the Subsequent Cut-off Date and (iii) all items with respect to such Additional Group 3 Mortgage Loans to be delivered pursuant to Section 2.01 and the other items in the related Mortgage Files; provided, however, that the Depositor reserves and retains all right, title and interest in and to principal received and interest accruing on the Additional Group 3 Mortgage Loans prior to the related Subsequent Cut-off Date. The transfer to the Trustee for deposit in the Mortgage Pool by the Depositor of the Additional Group 3 Mortgage Loans identified on the Schedule of Additional Mortgage Loans shall be absolute and is intended by the Depositor, the Servicer, the Trustee and the Certificateholders to constitute and to be treated as a sale of the Additional Group 3 Mortgage Loans by the Depositor to the Trust Fund. The

related Mortgage File for each Additional Group 3 Mortgage Loan shall be delivered to the Trustee at least three Business Days prior to the related Additional Transfer Date.

The purchase price paid by the Trustee from amounts released from the Group 3 Pre-Funding Account shall be one-hundred percent (100%) of the aggregate Principal Balance of the related Additional Group 3 Mortgage Loans so transferred (as identified on the Mortgage Loan Schedule provided by the Depositor). This Agreement shall constitute a fixed-price purchase contract in accordance with Section 860G(a)(3)(A)(ii) of the Code.

(b) The Depositor shall transfer to the Trustee for deposit in the Mortgage Pool the Additional Group 3 Mortgage Loans and the other property and rights related thereto as described in paragraph (a) above, and the Trustee shall release funds from the Group 3 Pre-Funding Account only upon the satisfaction of each of the following conditions on or prior to the related Additional Transfer Date:

(i) the Depositor shall have provided the Trustee, the NIMS Insurer and the Rating Agencies with a timely Addition Notice and shall have provided any information reasonably requested by the Trustee with respect to the Additional Group 3 Mortgage Loans;

(ii) the Depositor shall have delivered to the Trustee and the NIMS Insurer a duly executed Additional Transfer Instrument, which shall include a Schedule of Additional Mortgage Loans listing the Additional Group 3 Mortgage Loans, and the Depositor, shall have delivered a computer file containing such schedule to the Trustee at least three Business Days prior to the related Additional Transfer Date;

(iii) as of each Additional Transfer Date, as evidenced by delivery of the Additional Transfer Instrument, substantially in the form of Exhibit S the Depositor shall not be insolvent nor shall it have been rendered insolvent by such transfer nor shall it be aware of any pending insolvency;

(iv) such sale and transfer shall not result in a material adverse tax consequence to the Trust Fund or the Certificateholders;

(v) the Funding Period shall not have terminated;

(vi) the Depositor shall not have selected the Additional Group 3 Mortgage Loans in a manner that it believed to be adverse to the interests of the Certificateholders;

(vii) the Depositor shall have delivered to the Trustee and the NIMS Insurer an Additional Transfer Instrument confirming the satisfaction of the conditions precedent specified in this Section 2.04 and, pursuant to the Additional Transfer Instrument, assigned to the Trustee without recourse for the benefit of the Certificateholders all the right, title and interest of the Depositor, in, to and under the Additional Mortgage Loan Purchase Agreement, to the extent of the Additional Group 3 Mortgage Loans;

(viii) with respect to the last Additional Transfer Date, the Depositor shall have delivered to the Trustee and the NIMS Insurer a letter from an Independent accountant (with copies provided to each Rating Agency) stating that the characteristics of the Additional Group 3 Mortgage Loans conform to the characteristics set forth in clauses (i) through (xi) of paragraph (c) below and to the characteristics set forth in paragraph (d) below; and

(ix) the Depositor shall have received the consent of the NIMS Insurer, if any, to the transfer of such Additional Group 3 Mortgage Loans.

(c) The obligation of the Trust Fund to purchase an Additional Group 3 Mortgage Loan on any Additional Transfer Date is subject to the satisfaction of the conditions set forth in the following paragraphs and the accuracy of the following representations and warranties with respect to each Additional Group 3 Mortgage Loan determined as of the applicable Subsequent Cut-off Date: (i) such Additional Group 3 Mortgage Loan may not be 30 or more days delinquent as of the last day of the month preceding the Subsequent Cut-off Date; (ii) the original term to stated maturity of such Additional Group 3 Mortgage Loan will not be less than 120 months and will not exceed 360 months; (iii) the Additional Group 3 Mortgage Loan may not provide for negative amortization; (iv) such Additional Group 3 Mortgage Loan will not have a Combined Loan-to-Value Ratio greater than 100.00%; (v) all of the Additional Group 3 Mortgage Loans will have, as of the Subsequent Cut-off Date, a weighted average term to stated maturity not in excess of 360 months; (vi) each Additional Group 3 Mortgage Loan that is a Fixed-Rate Mortgage Loan shall have a Mortgage Interest Rate that is not less than 3.000% or greater than 14.700%; (vii) each Additional Group 3 Mortgage Loan shall have been serviced by the Servicer since origination or the date of purchase; (viii) each Additional Group 3 Mortgage Loan shall have a first payment date occurring on or before September 1, 2006 and shall include 30 days of interest thereon, (ix) each Additional Group 3 Mortgage Loan that is an Adjustable-Rate Mortgage Loan shall have a Gross Margin not less than 0.500%, a Maximum Mortgage Interest Rate not less than 9.500% and a Minimum Mortgage Interest Rate not less than 5.500% and (xii) such Additional Group 3 Mortgage Loan shall have been underwritten in accordance with the criteria set forth under "Underwriting Standards" in the Prospectus Supplement.

(d) Following the purchase of any Additional Group 3 Mortgage Loan by the Trust, no Group 3 Mortgage Loan (including such Additional Group 3 Mortgage Loans) shall have as of the Subsequent Cut-off Date: (i) a Mortgage Interest Rate less than 3.000% per annum or greater than 14.700% per annum; (ii) a Combined Loan-to-Value Ratio greater than 100.00%; (iii) a Principal Balance greater than \$1,700,000; or (iv) a FICO score less than 500. In addition, no Adjustable-Rate Mortgage Loan in Group 3 will have a Gross Margin less than 0.500% per annum and all of the Group 3 Mortgage Loans will have a weighted average original term to stated maturity of not more than 360 months.

(e) Notwithstanding the foregoing, any Additional Group 3 Mortgage Loan may be rejected by (i) the NIMS Insurer or (ii) any Rating Agency

if the inclusion of any such Additional Group 3 Mortgage Loan would adversely affect the ratings of any Class of Certificates. At least one Business Day prior to the Additional Transfer Date, each Rating Agency shall notify the Trustee as to which Additional Group 3 Mortgage Loans, if any, shall not be included in the transfer on the Additional Transfer Date; provided, however, that the Depositor shall have delivered to each Rating Agency at least three Business Days prior to such Additional Transfer Date a computer file acceptable to each Rating Agency describing the characteristics specified in paragraphs (c) and (d) above.

(f) In connection with the transfer and assignment of the Additional Group 3 Mortgage Loans, the Depositor shall satisfy the document delivery requirements set forth in Section 2.01 hereof.

#### Section 2.05 Representations, Warranties and Covenants of the Servicer.

The Servicer hereby represents, warrants and covenants to the Trustee, for the benefit of each of the Trustee and the Certificateholders and to the Depositor and the NIMS Insurer that as of the Closing Date or as of such date specifically provided herein:

(i) The Servicer is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has all licenses necessary to carry on its business as now being conducted, except for such licenses, certificates and permits the absence of which, individually or in the aggregate, would not have a material adverse effect on the ability of the Servicer to conduct its business as it is presently conducted, and is licensed, qualified and in good standing in the states where the Mortgaged Property is located if the laws of such state require licensing or qualification in order to conduct business of the type conducted by the Servicer or to ensure the enforceability or validity of each Mortgage Loan; the Servicer has the power and authority to execute and deliver this Agreement and to perform in accordance herewith; the execution, delivery and performance of this Agreement (including all instruments of transfer to be delivered pursuant to this Agreement) by the Servicer and the consummation of the transactions contemplated hereby have been duly and validly authorized; and all requisite corporate action has been taken by the Servicer to make this Agreement valid and binding upon the Servicer in accordance with its terms;

(ii) The consummation of the transactions contemplated by this Agreement are in the ordinary course of business of the Servicer and will not result in the breach of any term or provision of the articles of incorporation or by-laws of the Servicer or result in the breach of any term or provision of, or conflict with or constitute a default under or result in the acceleration of any obligation under, any agreement, indenture or loan or credit agreement or other instrument to which the Servicer or its property is subject, or result in the violation of any law, rule, regulation, order, judgment or decree to which the Servicer or its property is subject;

(iii) The Servicer is an approved seller/servicer of conventional residential mortgage loans for Fannie Mae or Freddie Mac, with the facilities, procedures, and experienced personnel necessary for the sound servicing of mortgage loans of the same type as the Mortgage Loans. The Servicer is a HUD approved mortgagee pursuant to Section 203 of the National Housing Act and is in good standing to sell mortgage loans to and service mortgage loans for Fannie Mae or Freddie Mac, and no event has occurred, including but not limited to a change in insurance coverage, which would make the Servicer unable to comply with Fannie Mae or Freddie Mac eligibility requirements or which would require notification to either Fannie Mae or Freddie Mac;

(iv) This Agreement, and all documents and instruments contemplated hereby which are executed and delivered by the Servicer, constitute and will constitute valid, legal and binding obligations of the Servicer, enforceable with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally (whether considered in a proceeding at law or in equity);

(v) The Servicer does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement;

(vi) There is no action, suit, proceeding or investigation pending or, to its knowledge, threatened against the Servicer that, either individually or in the aggregate, may result in any material adverse change in the business, operations, financial condition, properties or assets of the Servicer, or in any material impairment of the right or ability of the Servicer to carry on its business substantially as now conducted, or in any material liability on the part of the Servicer, or that would draw into question the validity or enforceability of this Agreement or of any action taken or to be taken in connection with the obligations of the Servicer contemplated herein, or that would be likely to impair materially the ability of the Servicer to perform under the terms of this Agreement;

(vii) No consent, approval or order of any court or governmental agency or body is required for the execution, delivery and performance by the Servicer of or compliance by the Servicer with this Agreement or the consummation of the transactions contemplated by this Agreement, except for such consents, approvals, authorizations and orders, if any, that have been obtained;

(viii) No information in this Agreement provided by the Servicer nor any information, certificate of an officer, statement furnished in writing or report delivered to the Trustee by the Servicer in connection with the transactions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit 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;

(ix) The Servicer has fully furnished, and shall continue to fully furnish for so long as it is servicing the Mortgage Loans hereunder, in accordance with the Fair Credit Reporting Act and its implementing regulations, accurate and complete information on the Mortgagor credit files to Equifax, Experian and Trans Union Credit Information Company on a monthly basis;

(x) Except as otherwise disclosed in the Prospectus Supplement, no legal or governmental proceedings are pending (or known to be contemplated) against the Servicer that would be material to Certificateholders;

(xi) Except as otherwise disclosed in the Prospectus Supplement, the Servicer 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 act or failure to act of the Servicer under such securitization;

(xii) Except as otherwise disclosed in the Prospectus Supplement, the Servicer has not been terminated as servicer in a residential mortgage loan securitization, either due to a servicing default or to application of a servicing performance test or trigger;

(xiii) Except as otherwise disclosed in the Prospectus Supplement, no material noncompliance with the applicable servicing criteria with respect to other securitizations of residential mortgage loans involving the Servicer as a servicer has been disclosed or reported by the Servicer within the past three (3) years;

(xiv) Except as otherwise disclosed in the Prospectus Supplement, no material changes to the Servicer's policies or procedures with respect to the servicing function it will perform under this Agreement for mortgage loans of a type similar to the Mortgage Loans have occurred during the three-year period immediately preceding the date of this Agreement;

(xv) Except as otherwise disclosed in the Prospectus Supplement, there is no material risk that the Servicer's financial condition could affect one or more aspects of the performance by the Servicer of its servicing obligations under this Agreement in a manner that could have a material impact on the performance of the Mortgage Loans or the Certificates; and

(xvi) Except as disclosed in the Prospectus Supplement, there are no affiliations, relationships or transactions relating to the Servicer and any party identified in Item 1.119 of Regulation AB of the type described therein.

It is understood and agreed that the representations, warranties and covenants set forth in this Section 2.05 shall survive delivery of the Mortgage Files to the Trustee and shall inure to the benefit of the Trustee, the Depositor, the NIMS Insurer and the Certificateholders. Upon discovery by any of the Depositor, the Servicer, the NIMS Insurer or the Trustee of a breach of any of the foregoing representations, warranties and covenants which materially and adversely affects the value of any Mortgage Loan, Prepayment Charge or the interests therein of the Certificateholders, the party discovering such breach shall give prompt written notice (but in no event later than two Business Days following such discovery) to the other parties hereto.

Upon discovery by any of the Depositor, the Servicer or the Trustee of a breach of any of the representations and warranties set forth in this Section 2.05, the party discovering such breach shall give prompt written notice, which shall not exceed two days, to the other parties. The Trustee shall consult with the Depositor to determine if any such breach is material and any breach determined by the Depositor to be material shall be included by the Trustee on the next Distribution Date Statement prepared pursuant to Section 4.06.

#### Section 2.06 Representations and Warranties of the Depositor.

The Depositor represents and warrants to the Trust and the Trustee on behalf of the Certificateholders and to the Servicer and the NIMS Insurer as follows:

(i) This agreement constitutes a legal, valid and binding obligation of the Depositor, enforceable against the Depositor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity);

(ii) Immediately prior to the sale and assignment by the Depositor to the Trustee on behalf of the Trust of each Initial Mortgage Loan, the Depositor had good and marketable title to each Mortgage Loan (insofar as such title was conveyed to it by the Seller) subject to no prior lien, claim, participation interest, mortgage, security interest, pledge, charge or other encumbrance or other interest of any nature;

(iii) As of the Closing Date, the Depositor has transferred all right, title interest in the Initial Mortgage Loans to the Trustee on behalf of the Trust;

(iv) The Depositor has not transferred the Initial Mortgage Loans to the Trustee on behalf of the Trust with any intent to hinder, delay or defraud any of its creditors;

(v) The Depositor has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power and authority to own its assets and conduct its business as presently being conducted;

(vi) The Depositor is not in violation of its certificate of incorporation or by-laws or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Depositor is a party or by which it or its properties may be bound, which default might result in any material adverse changes in the

financial condition, earnings, affairs or business of the Depositor or which might materially and adversely affect the properties or assets, taken as a whole, of the Depositor;

(vii) The execution, delivery and performance of this Agreement by the Depositor, and the consummation of the transactions contemplated thereby, do not and will not result in a material breach or violation of any of the terms or provisions of, or, to the knowledge of the Depositor, constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Depositor is a party or by which the Depositor is bound or to which any of the property or assets of the Depositor is subject, nor will such actions result in any violation of the provisions of the certificate of incorporation or by-laws of the Depositor or, to the best of the Depositor's knowledge without independent investigation, any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Depositor or any of its properties or assets (except for such conflicts, breaches, violations and defaults as would not have a material adverse effect on the ability of the Depositor to perform its obligations under this Agreement);

(viii) To the best of the Depositor's knowledge without any independent investigation, no consent, approval, authorization, order, registration or qualification of or with any court or governmental agency or body of the United States or any other jurisdiction is required for the issuance of the Certificates, or the consummation by the Depositor of the other transactions contemplated by this Agreement, except such consents, approvals, authorizations, registrations or qualifications as (a) may be required under State securities or Blue Sky laws, (b) have been previously obtained or (c) the failure of which to obtain would not have a material adverse effect on the performance by the Depositor of its obligations under, or the validity or enforceability of, this Agreement; and

(ix) There are no actions, proceedings or investigations pending before or, to the Depositor's knowledge, threatened by any court, administrative agency or other tribunal to which the Depositor is a party or of which any of its properties is the subject: (a) which if determined adversely to the Depositor would have a material adverse effect on the business, results of operations or financial condition of the Depositor; (b) asserting the invalidity of this Agreement or the Certificates; (c) seeking to prevent the issuance of the Certificates or the consummation by the Depositor of any of the transactions contemplated by this Agreement, as the case may be; (d) which might materially and adversely affect the performance by the Depositor of its obligations under, or the validity or enforceability of, this Agreement.

#### Section 2.07 Issuance of Certificates and the Uncertificated Regular Interests.

The Trustee acknowledges the assignment to it of the Initial Mortgage Loans and the delivery to it of the Mortgage Files, subject to the provisions of Sections 2.01 and 2.02, and the Trustee acknowledges the assignment to it of all other assets included in the Trust Fund, receipt of which is hereby acknowledged. Concurrently with such assignment and delivery and in exchange therefor, the Trustee, pursuant to the Written Order to Authenticate executed by an officer of the Depositor, has executed, and the Certificate Registrar has authenticated and delivered to or upon the order of the Depositor, the Certificates (other than the Class CE, Class P and Residual Certificates) in minimum dollar denominations of \$25,000 and integral dollar multiples of \$1 in excess. The Class CE and Class P Certificates are issuable only in minimum Percentage Interests of 10%. Each Class of Residual Certificate is issuable only as a single certificate. The Trustee acknowledges the issuance of the uncertificated REMIC 1 Regular Interests and declares that it holds such regular interests as assets of REMIC 2. The Trustee acknowledges the issuance of the uncertificated REMIC 2 Regular Interests and declares that it hold such regular interests as assets of REMIC 3. The Trustee acknowledges the issuance of the uncertificated REMIC 3 Regular Interests and declares that it hold such regular interests as assets of REMIC 4. The Trustee acknowledges the issuance of the uncertificated Class CE Interest and declares that it hold such regular interest as assets of REMIC 5. The Trustee acknowledges the obligation of the Class CE Certificates to pay Cap Carryover Amounts, and declares that it holds the same as assets of the Grantor Trust on behalf of the Holders of the Class A-1, Class A-2, Class A-3A, Class A-3B, Class A-3C1, Class A-3C2, Class A-3D, 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 B Certificates, respectively, which shall be treated as beneficially owning the right to receive the Cap Carryover Amounts from the Grantor Trust. In addition to the assets described in the preceding sentence, the assets of the Grantor Trust shall also include (i) Prepayment Charges, any Originator Prepayment Charge Payment Amounts, any Servicer Prepayment Charge Payment Amounts and the beneficial interest of the Class P Certificates with respect thereto and (ii) the Interest Rate Swap Agreement, the Swap Account and the beneficial interest of the Class CE Certificates with respect thereto, subject to the obligation to pay Cap Carryover Amounts. The interests evidenced by the Certificates constitute the entire beneficial ownership interest in the Trust Fund.

### ARTICLE III

#### ADMINISTRATION AND SERVICING OF THE TRUST FUND

##### Section 3.01 Servicer to Act as Servicer.

The Servicer, as independent contract servicer, shall service and administer the Mortgage Loans in accordance with this Agreement and the normal and usual standards of practice of prudent mortgage servicers servicing similar mortgage loans and, to the extent consistent with such terms, in the same manner in which it services and administers similar mortgage loans for its own portfolio, and shall have full power and authority, acting alone, to do or cause to be done any and all things in connection with such servicing and administration which the Servicer may deem necessary or desirable and consistent with the terms of this Agreement (the "Servicing Standard").

Consistent with the terms of this Agreement, the Servicer may waive, modify or vary any term of any Mortgage Loan or consent to the postponement of strict compliance with any such term or in any manner grant indulgence to any Mortgagor if in the Servicer's reasonable and prudent determination such waiver, modification, postponement or indulgence is not materially adverse to the Certificateholders; provided,



however, that the Servicer shall not make future advances and, except as set forth in the following sentence of Section 3.03, the Servicer shall not permit any modification with respect to any Mortgage Loan that would (i) change the Mortgage Interest Rate, defer or forgive the payment thereof of any principal or interest payments, reduce the outstanding principal amount (except for actual payments of principal) or extend the final maturity date with respect to such Mortgage Loan, (ii) affect adversely the status of any REMIC constituting part of the Trust Fund as a REMIC, or (iii) cause any such REMIC to be subject to a tax on "prohibited transactions" or "contributions" pursuant to the REMIC Provisions. In the event that the Mortgagor is in default with respect to the Mortgage Loan or such default is, in the judgment of the Servicer, reasonably foreseeable, the Servicer may permit a modification of such Mortgage Loan to reduce the Principal Balance thereof and/or extend the term, but not beyond the latest maturity date of any other Mortgage Loan. Notwithstanding the foregoing, the Servicer shall not permit any modification with respect to any Mortgage Loan that would both (x) effect an exchange or reissuance of such Mortgage Loan under Section 1.860G-2(b) of the Treasury Regulations and (y) cause any REMIC constituting part of the Trust Fund to fail to qualify as a REMIC under the Code or the imposition of any tax on "prohibited transactions" or "contributions" after the Startup Day under the REMIC Provisions. The NIMS Insurer's prior written consent shall be required for any modification, waiver or amendment if the aggregate number of outstanding Mortgage Loans which have been modified, waived or amended exceeds 5% of the number of Mortgage Loans as of the Cut-off Date. Without limiting the generality of the foregoing, the Servicer shall continue, and is hereby authorized and empowered to execute and deliver on behalf of itself, and the Trustee, all instruments of satisfaction or cancellation, or of partial or full release, discharge, and all other comparable instruments, with respect to the Mortgage Loans and with respect to the Mortgaged Property. The Servicer shall make all required Servicing Advances and shall service and administer the Mortgage Loans in accordance with Applicable Regulations, and shall provide to the Mortgagor any reports required to be provided to them thereby. The Trustee shall execute and deliver to the Servicer within at least fifteen (15) Business Day of receipt, upon request, any powers of attorney furnished to it by the Servicer empowering the Servicer to execute and deliver instruments of satisfaction or cancellation, or of partial or full release or discharge, and to foreclose upon or otherwise liquidate any Mortgaged Property, and to appeal, prosecute or defend in any court action relating to the Mortgage Loans or the Mortgaged Properties, in accordance with this Agreement, and the Trustee shall execute and deliver such other documents as the Servicer may request, necessary or appropriate to enable the Servicer to service and administer the Mortgage Loans and carry out its duties hereunder, in each case in accordance with Servicing Standard (and the Trustee shall have no liability for misuse of any such powers of attorney by the Servicer). Notwithstanding anything contained herein to the contrary, the Servicer shall not without the Trustee's written consent: (i) initiate any action, suit or proceeding solely under the Trustee's name without indicating the Servicer's representative capacity or (ii) take any action with the intent to cause, and which results in, the Trustee being registered to do business in any state.

In servicing and administering the Mortgage Loans, the Servicer shall employ procedures including collection procedures and exercise the same care that it customarily employs and exercises in servicing and administering mortgage loans for its own account giving due consideration to accepted mortgage servicing practices of prudent lending institutions and the Certificateholders' reliance on the Servicer.

The Servicer shall give prompt notice to the Trustee of any action, of which the Servicer has actual knowledge, to (i) assert a claim against the Trust Fund or (ii) assert jurisdiction over the Trust Fund.

Notwithstanding anything in this Agreement to the contrary, in the event of a voluntary Principal Prepayment in full of a Mortgage Loan, the Servicer may not waive any Prepayment Charge or portion thereof required by the terms of the related Mortgage Note unless (i)(a) the Servicer determines that such waiver is standard and customary in servicing similar mortgage loans, (b) such waiver relates to a default or a reasonably foreseeable default and (c) would, in the reasonable judgment of the Servicer, maximize recovery of Liquidation Proceeds for such Mortgage Loan, taking into account the value of such Prepayment Charge, or (ii) the enforceability thereof is limited (1) by bankruptcy, insolvency, moratorium, receivership, or other similar law relating to creditors' rights generally or (2) due to acceleration in connection with a foreclosure or other involuntary payment. If the Servicer has waived or does not collect all or a portion of a Prepayment Charge relating to a voluntary Principal Prepayment in full due to any action or omission of the Servicer, other than as provided above, the Servicer shall, on the date on which the Principal Prepayment in full is remitted to the Trustee, deliver to the Trustee the Servicer Prepayment Charge Amount with respect to such Mortgage Loan for distribution in accordance with the terms of this Agreement.

In the event that a Prepayment Charge due with respect to any Mortgage Loan is not timely received by the Servicer, the Servicer shall use commercially reasonable efforts to determine whether the related Originator is obligated to pay a related Originator Prepayment Charge Payment Amount, and if the Servicer determines that a Originator Prepayment Charge Payment Amount is due, the Servicer shall promptly notify the related Originator, and the Servicer shall enforce the Originator's obligations to pay in a timely manner any such Originator Prepayment Charge Payment Amounts and, to the extent that such amounts are received by the Servicer, shall cause such amounts to be deposited into the Collection Account within one Business Day of receipt.

### Section 3.02 Collection of Mortgage Loan Payments.

Continuously from the date hereof until the principal and interest on all Mortgage Loans are paid in full or as long as the Mortgage Loan remains subject to this Agreement, the Servicer will diligently collect all payments due under each Mortgage Loan when the same shall become due and payable and shall, to the extent such procedures shall be consistent with this Agreement and Applicable Regulations, follow such collection procedures as it follows with respect to mortgage loans comparable to the Mortgage Loans and held for its own account. Further, the Servicer will take special care in ascertaining and estimating on escrowed Mortgage Loans annual ground rents, taxes, assessments, water rates, fire and hazard insurance premiums, mortgage insurance premiums, and all other charges that, as provided in the Mortgage, will become due and payable to that end that the installments payable by the Mortgagors will be sufficient to pay such charges as and when they become due and payable.

### Section 3.03 Realization Upon Defaulted Mortgage Loans.

In the event that any payment due under any Mortgage Loan is not paid when the same becomes due and payable, or in the event the Mortgagor fails to perform any other covenant or obligation under the Mortgage Loan and such failure continues beyond any applicable grace period, the Servicer shall take such action as it shall deem to be in the best interest of the Certificateholders. With respect to any defaulted Mortgage Loan, the Servicer shall have the right to review the status of the related forbearance plan and, subject to the second paragraph of Section 3.01, may modify such forbearance plan; including extending the Mortgage Loan repayment date for a period of one year or reducing the Mortgage Interest Rate up to 50 basis points.

In connection with a foreclosure or other conversion, the Servicer shall exercise such rights and powers vested in it hereunder and use the same degree of care and skill in its exercise as prudent mortgage servicers would exercise or use under the circumstances in the conduct of their own affairs and consistent with Applicable Regulations and the Servicing Standards, including, without limitation, advancing funds for the payment of taxes and insurance premiums.

Notwithstanding the foregoing provisions of this Section 3.03, with respect to any Mortgage Loan as to which the Servicer has received actual notice of, or has actual knowledge of, the presence of any toxic or hazardous substance on the related Mortgaged Property, the Servicer shall not either (i) obtain title to such Mortgaged Property as a result of or in lieu of foreclosure or otherwise, or (ii) otherwise acquire possession of, or take any other action with respect to, such Mortgaged Property if, as a result of any such action, the Trust would be considered to hold title to, to be a mortgagee-in-possession of, or to be an owner or operator of such Mortgaged Property within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, or any comparable law, unless the Servicer has received the prior written consent of the NIMS Insurer and has received a prudent report prepared by a Person who regularly conducts environmental audits using customary industry standards, that:

A. such Mortgaged Property is in compliance with applicable environmental laws or, if not, that it would be in the best economic interest of the Certificateholders to take such actions as are necessary to bring the Mortgaged Property into compliance therewith; and

B. there are no circumstances present at such Mortgaged Property relating to the use, management or disposal of any hazardous substances, hazardous materials, hazardous wastes, or petroleum-based materials for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any federal, state or local law or regulation, or that if any such materials are present for which such action could be required, that it would be in the best economic interest of the Certificateholders to take such actions with respect to the affected Mortgaged Property.

The cost of the environmental audit report contemplated by this Section 3.03 shall be advanced by the Servicer, subject to the Servicer's right to be reimbursed therefor from the Collection Account as provided in Section 3.05(iv).

If the Servicer determines, as described above, that it is in the best economic interest of the Certificateholders to take such actions as are necessary to bring any such Mortgaged Property into compliance with applicable environmental laws, or to take such action with respect to the containment, clean-up or remediation of hazardous substances, hazardous materials, hazardous wastes, or petroleum-based materials affecting any such Mortgaged Property, then the Servicer shall take such action as it deems to be in the best economic interest of the Certificateholders. The cost of any such compliance, containment, clean-up or remediation shall be advanced by the Servicer, subject to the Servicer's right to be reimbursed therefor from the Collection Account as provided in Section 3.05.

#### Section 3.04 Collection Account and Distribution Account.

(a) The Servicer shall segregate and hold all funds collected and received pursuant to each Mortgage Loan separate and apart from any of its own funds and general assets and shall establish and maintain one or more Collection Accounts. Each Collection Account shall be an Eligible Account.

The Servicer shall deposit or cause to be deposited on a daily basis and in no event more than one Business Day after receipt thereof in the clearing account (which must be an Eligible Account) in which it customarily deposits payments and collections on mortgage loans in connection with its mortgage loan servicing activities, and shall thereafter deposit in the Collection Account, in no event more than one Business Day after deposit of such funds in the clearing account, and retain therein, the following payments and collections received or made by it after the Cut-off Date, with respect to the Initial Mortgage Loans, or the Subsequent Cut-off Date, with respect to the Additional Group 3 Mortgage Loans (other than in respect of principal and interest due on or before the Cut-off Date or Subsequent Cut-off Date, as applicable):

(i) all payments on account of principal, including Principal Prepayments, on the Mortgage Loans;

(ii) all payments on account of interest on the Mortgage Loans adjusted to the Mortgage Interest Rate less the Servicing Fee Rate and any Prepayment Interest Excess;

(iii) all Liquidation Proceeds and any Subsequent Recoveries;

(iv) all Insurance Proceeds including amounts required to be deposited pursuant to Section 3.10, other than proceeds to be held in the Escrow Account and applied to the restoration or repair of the Mortgaged Property or released to the Mortgagor in accordance with the Servicer's normal servicing procedures, the loan documents or applicable law;

(v) all Condemnation Proceeds affecting any Mortgaged Property which are not released to the Mortgagor in accordance with the Servicer's normal servicing procedures, the loan documents or applicable law;

(vi) any amounts required to be deposited by the Servicer in connection with any REO Property pursuant to Section 3.13;

(vii) all Prepayment Charges collected by the Servicer in connection with the voluntary Principal Prepayment in full of any Mortgage Loan, all Originator Prepayment Charge Payment Amounts paid by the applicable Originator and all Servicer Prepayment Charge Payment Amounts required to be paid by the Servicer pursuant to Section 3.01 in connection with any such Principal Prepayment; and

(viii) all amounts required to be deposited by the Servicer pursuant to Section 2.03.

Any interest paid on funds deposited in the Collection Account, subject to Section 3.25, shall accrue to the benefit of the Servicer and the Servicer shall be entitled to retain and withdraw such interest from the Collection Account pursuant to Section 3.05(v). The foregoing requirements for deposit from the Collection Account shall be exclusive, it being understood and agreed that, without limiting the generality of the foregoing, payments in the nature of late payment charges, bad check fees, prepayment charges that are not Prepayment Charges, Originator Prepayment Charge Payment Amounts or Servicer Prepayment Charge Payment Amounts, assumption fees and other similar fees need not be deposited by the Servicer in the Collection Account. Amounts deposited in the Collection Account in error may be withdrawn by the Servicer at any time.

(b) On behalf of the Trust Fund, the Trustee shall establish and maintain one or more accounts (such account or accounts, the "Distribution Account"), held in trust for the benefit of the Certificateholders. On behalf of the Trust Fund, the Servicer shall deliver to the Trustee in immediately available funds for deposit in the Distribution Account by 1:00 p.m. New York time on the Servicer Remittance Date, (i) that portion of the Available Funds (calculated without regard to the references in the definition thereof to amounts that may be deposited to the Distribution Account from a different source as provided herein) then on deposit in the Collection Account, (ii) the amount of all Prepayment Charges collected by the Servicer in connection with the voluntary Principal Prepayment in full of any of the Mortgage Loans then on deposit in the Collection Account (other than any such Prepayment Charges received after the related Prepayment Period) and (iii) any Originator Prepayment Charge Payment Amount or any Servicer Prepayment Charge Payment Amount. Amounts in the Distribution Account shall be deemed to be held on behalf of the Grantor Trust and the related REMICs in accordance with the REMIC distributions set forth in Section 4.08. The Trustee shall be entitled to withdraw from the Distribution Account any amounts owing to it pursuant to Section 8.05 and Section 9.01(c) prior to the distribution of any amounts on deposit to the Certificateholders; provided, however, the Trustee shall provide the Depositor, the NIMS Insurer and the Servicer with a written account of such amounts five Business Days prior to withdrawing such funds. In connection with any failure by the Servicer to make any remittance required to be made by the Servicer to the Trustee for deposit in the Distribution Account on the day and by the time such remittance is required to be made under the terms of this Section 3.04(b) (without giving effect to any grace or cure period), the Servicer shall pay to the Trustee for the account of the Trustee interest at the prime rate of United States money center commercial banks as published in The Wall Street Journal on any amount not timely remitted from and including the day such remittance was required to be made to, but not including, the day on which such remittance was actually made.

(c) Funds in the Collection Account and the Distribution Account may be invested in Eligible Investments in accordance with the provisions set forth in Section 3.25. The Servicer shall give notice to the Trustee and the NIMS Insurer of the location of the Collection Account maintained by it when established and prior to any change thereof. The Trustee shall give notice to the Servicer, the NIMS Insurer and the Depositor of the location of the Distribution Account when established and prior to any change thereof.

(d) In the event the Servicer shall deliver to the Trustee for deposit in the Distribution Account any amount not required to be deposited therein, it may at any time request that the Trustee withdraw such amount from the Distribution Account and remit to the Servicer any such amount, any provision herein to the contrary notwithstanding. In addition, the Servicer shall deliver to the Trustee from time to time for deposit, and the Trustee shall so deposit, in the Distribution Account in respect of REMIC 1:

(i) any Advances, as required pursuant to Section 4.07;

(ii) any Stayed Funds, as soon as permitted by the federal bankruptcy court having jurisdiction in such matters;

(iii) any amounts required to be delivered by the Servicer to the Trustee for deposit in the Distribution Account pursuant to Sections 2.03, 3.04, 3.13, 3.15, 3.16, 3.23, 3.24, 4.07 or 10.01; and

(iv) any amounts required to be deposited by the Servicer pursuant to Section 3.11 in connection with the deductible clause in any blanket hazard insurance policy, such deposit being made from the Servicer's own funds, without reimbursement therefor.

(e) Promptly upon receipt of any Stayed Funds, whether from the Servicer, a trustee in bankruptcy, or federal bankruptcy court or other source, the Trustee shall notify the Servicer of such receipt and deposit such funds in the Distribution Account, subject to withdrawal thereof as permitted hereunder. In addition, the Trustee shall deposit in the Distribution Account any amounts required to be deposited pursuant to Section 3.25(b) in connection with losses realized on Eligible Investments with respect to funds held in the Distribution Account.

(f) Any Prepayment Charges, Originator Prepayment Charge Payment Amounts and Servicer Prepayment Charge Payment Amounts deposited pursuant to

Section 3.04(a)(vii) shall not be assets of any REMIC created hereunder, but shall be considered assets of the Grantor Trust held by the Trustee for the benefit of the Class P Certificateholders.

### Section 3.05 Permitted Withdrawals From the Collection Account.

The Servicer may, from time to time, withdraw from the Collection Account for the following purposes:

- (i) to remit to the Trustee for deposit in the Distribution Account the amounts required to be so remitted pursuant to Section 3.04(b) or permitted to be so remitted pursuant to the first sentence of Section 3.04(d);
- (ii) to reimburse itself for (a) any unreimbursed Advances to the extent of amounts received which represent Late Collections (net of the related Servicing Fees) of Monthly Payments, Liquidation Proceeds and Insurance Proceeds on Mortgage Loans with respect to which such Advances were made in accordance with the provisions of Section 4.07; (b) any unreimbursed Advances with respect to the final liquidation of a Mortgage Loan that are Nonrecoverable Advances, but only to the extent that Late Collections, Liquidation Proceeds and Insurance Proceeds received with respect to such Mortgage Loan are insufficient to reimburse the Servicer for such unreimbursed Advances; or (c) subject to Section 4.07(b), any unreimbursed Advances to the extent of funds held in the Collection Account for future distribution that were not included in Available Funds for the preceding Distribution Date;
- (iii) to reimburse itself for (a) any unpaid Servicing Fees, (b) any unreimbursed Servicing Advances with respect to each Mortgage Loan, but only to the extent of any Late Collections, Liquidation Proceeds, Insurance Proceeds and condemnation proceeds received with respect to such Mortgage Loan, and (c) any Servicing Advances with respect to the final liquidation of a Mortgage Loan that are Nonrecoverable Advances, but only to the extent that Late Collections, Liquidation Proceeds and Insurance Proceeds received with respect to such Mortgage Loan are insufficient to reimburse the Servicer for Servicing Advances;
- (iv) to reimburse itself for any amounts paid or expenses incurred pursuant to Section 3.03 (and not otherwise previously reimbursed);
- (v) to pay to itself as servicing compensation (a) any interest earned on funds in the Collection Account (all such interest to be withdrawn monthly not later than each Servicer Remittance Date), (b) the Servicing Fee from that portion of any payment or recovery as to interest to a particular Mortgage Loan to the extent not retained pursuant to Section 3.04(a)(ii) and (c) any Prepayment Interest Excess;
- (vi) to pay or reimburse itself for any amounts payable or paid pursuant to Section 6.03 (and not otherwise previously reimbursed); and
- (vii) to clear and terminate the Collection Account upon the termination of this Agreement.

The foregoing requirements for withdrawal from the Collection Account shall be exclusive. In the event the Servicer shall deposit in the Collection Account any amount not required to be deposited therein, it may at any time withdraw such amount from the Collection Account, any provision herein to the contrary notwithstanding.

### Section 3.06 Establishment of Escrow Accounts; Deposits in Escrow Accounts.

The Servicer shall segregate and hold all funds collected and received pursuant to each Mortgage Loan which constitute Escrow Payments separate and apart from any of its own funds and general assets and shall establish and maintain one or more Escrow Accounts (which may be evidenced by a letter agreement), in the form of time deposit or demand accounts. A copy of such letter agreement shall be furnished to the Trustee upon request. The Escrow Account shall be an Eligible Account.

The Servicer shall deposit or cause to be deposited on a daily basis and in no event more than one Business Day after receipt thereof in the clearing account (which must be an Eligible Account) in which it customarily deposits payments and collections on mortgage loans in connection with its mortgage loan servicing activities, and shall thereafter deposit in the Escrow Account or Accounts, in no event more than one Business Day after deposit of such funds in the clearing account, and retain therein, (i) all Escrow Payments collected on account of the Mortgage Loans, for the purpose of effecting timely payment of any such items as required under the terms of this Agreement, and (ii) all Insurance Proceeds which are to be applied to the restoration or repair of any Mortgaged Property. The Servicer shall make withdrawals therefrom only to effect such payments as are required under this Agreement, and for such other purposes as shall be set forth in, or in accordance with, Section 3.07. The Servicer shall be entitled to retain any interest paid on funds deposited in the Escrow Account by the depository institution other than interest on escrowed funds required by law to be paid to the Mortgagor and, to the extent required by the related Mortgage Loan or Applicable Regulations, the Servicer shall pay interest on escrowed funds to the Mortgagor notwithstanding that the Escrow Account is non-interest bearing or that interest paid thereon is insufficient for such purposes.

### Section 3.07 Permitted Withdrawals From Escrow Account.

Withdrawals from the Escrow Account may be made by the Servicer

- (i) to effect timely payments of ground rents, taxes, assessments, water rates, fire, flood and hazard insurance premiums and comparable items

in a manner and at a time that assures that the lien priority of the Mortgage is not jeopardized (or, with respect to the payment of taxes, in a manner and at a time that avoids the loss of the Mortgaged Property due to a tax sale or the foreclosure as a result of a tax lien), (ii) to reimburse the Servicer for any Servicing Advance made by the Servicer with respect to a related Mortgage Loan but only from amounts received on the related Mortgage Loan which represent late payments or Late Collections of Escrow Payments thereunder with respect to taxes and assessments and with respect to hazard insurance, (iii) to refund to the Mortgagor any funds as may be determined to be overages, (iv) for transfer to the Collection Account in accordance with the terms of this Agreement, (v) for application to restoration or repair of the Mortgaged Property, (vi) to pay to the Servicer, or to the Mortgagor to the extent required by the related Mortgage Loan or Applicable Regulations, any interest paid on the funds deposited in the Escrow Account, (vii) to clear and terminate the Escrow Account on the termination of this Agreement, or (viii) to transfer to the Collection Account any insurance proceeds. As part of its servicing duties, the Servicer shall pay to the Mortgagor interest on funds in the Escrow Account, to the extent required by the related Mortgage Loan or Applicable Regulations, and to the extent that interest earned on funds in the Escrow Account is insufficient, shall pay such interest from its own funds, without any reimbursement therefor.

In the event the Servicer shall deposit in the Escrow Account any amount not required to be deposited therein, it may at any time withdraw such amount from the Escrow Account, any provision herein to the contrary notwithstanding.

### Section 3.08 Payment of Taxes, Insurance and Other Charges; Collections Thereunder.

With respect to each Mortgage Loan that provides for Escrow Payments, the Servicer shall 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 fire, flood and hazard insurance coverage and shall obtain, from time to time, all bills for the payment of such charges (including renewal premiums) and shall effect payment of taxes, assessments, hazard insurance premiums, and comparable items in a manner and at a time that assures that the lien priority of the Mortgage is not jeopardized (or, with respect to the payment of taxes, in a manner and at a time that avoids the loss of the Mortgaged Property due to a tax sale or the foreclosure as a result of a tax lien). To the extent that the Mortgage does not provide for Escrow Payments, the Servicer shall use its best efforts to determine that any such payments are made by the Mortgagor at the time they first become due. If any such payment has not been made, the Servicer will advance or cause to be advanced funds necessary to avoid the lapse of insurance coverage on the Mortgaged Property and to assure that no Mortgaged Property is lost to a tax sale or foreclosure as a result of a tax lien.

### Section 3.09 Transfer of Accounts.

The Servicer may transfer the Collection Account and the Escrow Account to a different depository institution from time to time. Upon such transfer, the Servicer shall deliver to the Trustee, the NIMS Insurer and the Depositor, a certification or letter agreement, as the case may be, as required pursuant to Sections 3.04 and 3.06.

### Section 3.10 Maintenance of Hazard Insurance.

The Servicer shall cause to be maintained for each Mortgage Loan fire and hazard insurance with extended coverage as is customary in the area where the Mortgaged Property is located in an amount which is at least equal to the lesser of (i) the amount necessary to fully compensate for any damage or loss to the improvements which are a part of such property on a replacement cost basis or (ii) the Principal Balance of the Mortgage Loan, in each case in an amount not less than such amount as is necessary to prevent the Mortgagor and/or the Mortgagee from becoming a co-insurer. If the Mortgaged Property is in an area identified in the Federal Register by the Flood Emergency Management Agency as having special flood hazards and flood insurance has been made available, the Servicer will cause to be maintained a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration with a generally acceptable insurance carrier, in an amount representing coverage not less than the least of (i) the Principal Balance of the Mortgage Loan, (ii) the maximum insurable value of the improvements securing such Mortgage Loan or (iii) the maximum amount of insurance which is available under the National Flood Insurance Act of 1968, as amended. The Servicer shall also maintain on the REO Property for the benefit of the Certificateholders, (x) fire and hazard insurance with extended coverage in an amount which is at least equal to the lesser of (i) 100% of the maximum insurable value of the improvements securing the Mortgage Loan and (ii) the outstanding Principal Balance of the Mortgage Loan at the time it became an REO Property, (y) public liability insurance and, (z) to the extent required and available under the National Flood Insurance Act of 1968, as amended, flood insurance in an amount as provided above. Any amounts collected by the Servicer under any such policies other than amounts to be deposited in the Escrow Account and applied to the restoration or repair of the Mortgaged Property or REO Property, or released to the Mortgagor in accordance with the Servicer's normal servicing procedures, shall be deposited in the Collection Account, subject to withdrawal pursuant to Section

3.05. It is understood and agreed that no earthquake or other additional insurance is required to be maintained by the Servicer or the Mortgagor or maintained on property acquired in respect of the Mortgage Loan, other than pursuant to such Applicable Regulations as shall at any time be in force and as shall require such additional insurance. All such policies shall be endorsed with standard mortgagee clauses with loss payable to the Servicer and shall provide for at least thirty days prior written notice of any cancellation, reduction in the amount of or material change in coverage to the Servicer. The Servicer shall not interfere with the Mortgagor's freedom of choice in selecting either his insurance carrier or agent, provided, however, that the Servicer shall not accept any such insurance policies from insurance companies unless such companies currently reflect a general policy rating of B:III or better in Best's Key Rating Guide and are licensed to do business in the state wherein the property subject to the policy is located.

### Section 3.11 Maintenance of Mortgage Impairment Insurance Policy.

In the event that the Servicer shall obtain and maintain a blanket policy issued by an insurer that has a general policy rating of B:III or better in Best's Key Rating Guide insuring against hazard losses on all of the Mortgage Loans, then, to the extent such policy provides coverage in an amount equal to the amount required pursuant to Section 3.10 and otherwise complies with all other requirements of Section 3.10, it shall conclusively be deemed to have satisfied its obligations as set forth in Section 3.10, it being understood and agreed that such policy may contain a deductible clause, in which case the Servicer shall, in the event that there shall not have been maintained on the related Mortgaged Property or REO Property a policy complying with Section 3.10, and there shall have been a loss which would have been covered by such policy, deliver to the Trustee for deposit in the Distribution Account the amount not otherwise payable under the blanket policy because of such deductible clause, which amount shall not be reimbursable to the Servicer from the Trust Fund. In connection with its activities as servicer of the Mortgage Loans, the Servicer agrees to prepare and present, on behalf of the Trustee, claims under any such blanket policy in a timely fashion in accordance with the terms of such policy. Upon request of the Trustee, the Servicer shall cause to be delivered to the Trustee a certified true copy of such policy and a statement from the insurer thereunder that such policy shall in no event be terminated or materially modified without thirty days prior written notice to the Trustee.

### Section 3.12 Fidelity Bond, Errors and Omissions Insurance.

The Servicer shall maintain, at its own expense, a blanket fidelity bond (the "Fidelity Bond") and an errors and omissions insurance policy, with broad coverage with financially responsible companies on all officers, employees or other persons acting in any capacity with regard to the Mortgage Loans to handle funds, money, documents and papers relating to the Mortgage Loans. The Fidelity Bond and errors and omissions insurance shall be in the form of the Mortgage Banker's Blanket Bond and shall protect and insure the Servicer against losses, including forgery, theft, embezzlement, fraud, errors and omissions and negligent acts of such persons. Such Fidelity Bond shall also protect and insure the Servicer against losses in connection with the failure to maintain any insurance policies required pursuant to this Agreement and the release or satisfaction of a Mortgage Loan without having obtained payment in full of the indebtedness secured thereby. No provision of this Section 3.12 requiring the Fidelity Bond and errors and omissions insurance shall diminish or relieve the Servicer from its duties and obligations as set forth in this Agreement. The minimum coverage under any such bond and insurance policy shall be at least equal to the corresponding amounts required by Fannie Mae in the Fannie Mae MBS Selling and Servicing Guide or by Freddie Mac in the Freddie Mac Servicer's Guide. Upon request of the Trustee or the NIMS Insurer, the Servicer shall cause to be delivered to the requesting party a certified true copy of the Fidelity Bond and errors and omissions insurance policy and a statement from the surety and the insurer that such Fidelity Bond and errors and omissions insurance policy shall in no event be terminated or materially modified without thirty days' prior written notice to the Trustee.

### Section 3.13 Title, Management and Disposition of REO Property.

(a) 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 shall be taken (pursuant to a limited power of attorney to be provided by the Trustee to the Servicer) in the name of the Trustee or its nominee, on behalf of the Certificateholders, or in the event the Trustee is not authorized or permitted to hold title to real property in the state where the REO Property is located, or would be adversely affected under the "doing business" or tax laws of such state by so holding title, the deed or certificate of sale shall be taken in the name of such Person or Persons as shall be consistent with an Opinion of Counsel obtained by the Servicer from an attorney duly licensed to practice law in the state where the REO Property is located. Any Person or Persons holding such title other than the Trustee shall acknowledge in writing that such title is being held as nominee for the benefit of the Trustee.

(b) In the event that the Trust Fund acquires any REO Property as aforesaid or otherwise in connection with a default or imminent default on a Mortgage Loan, the Servicer shall dispose of such REO Property before the end of the third taxable year beginning after the year of its acquisition by the Trust Fund for purposes of Section 860G(a)(8) of the Code unless the Servicer has received a grant of extension from the Internal Revenue Service of the above-mentioned grace period such that the holding by the Trust Fund of such REO Property subsequent to such period will not: (i) result in the imposition of any tax on "prohibited transactions" as defined in Section 860F of the Code; or (ii) cause any REMIC constituting any part of the Trust Fund to fail to qualify as a REMIC at any time that any Certificates (other than the Class P Certificates) are outstanding, in which case the Trust Fund may continue to hold such REO Property.

Subject to compliance with applicable laws and regulations as shall at any time be in force, and notwithstanding any other provisions of this Agreement, no REO Property acquired by the Trust Fund shall be rented (or allowed to continue to be rented) or otherwise used by or on behalf of the Trust Fund in such a manner or pursuant to any terms that would: (i) cause such REO Property to fail to qualify as "foreclosure property" within the meaning of

Section 860G(a)(8) of the Code; or (ii) subject any REMIC constituting part of the Trust Fund to the imposition of any federal income taxes on the income earned from such REO Property, including any taxes imposed by reason of Sections 860F or 860G(c) of the Code, unless the Servicer has agreed to indemnify and hold harmless the Trust Fund with respect to the imposition of any such taxes.

The Servicer shall manage, conserve, protect and operate each REO Property for the Certificateholders and the Trust Fund solely for the purpose of its prompt disposition and sale in a manner which does not cause such REO Property to fail to qualify as "foreclosure property" within the meaning of

Section 860G(a)(8) of the Code or result in the receipt by the related REMIC of any "income from non-permitted assets" within the meaning of Section 860F(a)(2)(B) of the Code, or any "net income from foreclosure property" which is subject to taxation under the REMIC Provisions. The Servicer shall cause each REO Property to be inspected promptly upon the acquisition of title thereto and shall cause each REO Property to be inspected at least annually thereafter. The Servicer shall make or cause to be made a written or electronic report of each such inspection. Such reports shall be retained in the Mortgage File and copies thereof shall be forwarded by the Servicer to the Trustee upon request. The Servicer shall attempt to sell the same (and may temporarily rent the same) on such terms and conditions as the Servicer deems to be in the best interest of the Certificateholders and the Trust Fund.

With respect to each REO Property, the Servicer shall account separately for each REO Property with respect to all funds collected and received in connection with the operation of such REO Property.

The Servicer shall deposit or cause to be deposited, on a daily basis, within one Business Day of receipt, in the Collection Account, all revenues received with respect to each REO Property and shall withdraw therefrom funds necessary for the proper operation, management and maintenance of the related REO Property, including the cost of maintaining any hazard insurance pursuant to Section 3.10 hereof and the fees of any managing agent acting on behalf of the Servicer.

The Servicer shall furnish to the Trustee, on each Servicer Remittance Date, an operating statement for each REO Property covering the operation of each REO Property for the previous month. Such operating statement shall be accompanied by such other information as the Trustee shall reasonably request.

The Servicer shall use its best efforts to dispose of the REO Property as promptly as is practically consistent with protecting the Certificateholders' interests.

Each REO Disposition shall be carried out by the Servicer at such price and upon such terms and conditions as the Servicer deems to be in the best interest of the Certificateholders. If as of the date title to any REO Property was acquired by the Servicer there were outstanding unreimbursed Servicing Advances, Servicing Fees and Advances with respect to the REO Property, the Servicer, upon an REO Disposition of such REO Property, shall be entitled to reimbursement for any related unreimbursed Servicing Advances, Servicing Fees and Advances from proceeds received in connection with such REO Disposition. The proceeds from the REO Disposition, net of any payment to the Servicer as provided above, shall be deposited in the Collection Account for transfer to the Distribution Account on the succeeding Servicer Remittance Date in accordance with Section 3.04(a)(vi).

Any REO Disposition shall be for cash only (unless changes in the REMIC Provisions made subsequent to the Startup Day allow a sale for other consideration and an Opinion of Counsel is obtained by the Servicer to the effect that such sale shall not cause any REMIC constituting part of the Trust Fund to fail to qualify as a REMIC).

#### Section 3.14 Due-on-Sale Clauses; Assumption and Substitution Agreements.

When a Mortgaged Property has been or is about to be conveyed by the Mortgagor, the Servicer shall, to the extent it has knowledge of such conveyance or prospective conveyance, exercise its rights to accelerate the maturity of the related Mortgage Loan under any "due-on-sale" clause contained in the related Mortgage or Mortgage Note; provided, however, that the Servicer shall not exercise any such right if the "due-on-sale" clause, in the reasonable belief of the Servicer, is not enforceable under applicable law. In such event, the Servicer shall make reasonable efforts to enter into an assumption and modification agreement with the Person to whom such property has been or is about to be conveyed, pursuant to which such Person becomes liable under the Mortgage Note and, unless prohibited by applicable law or the Mortgage, the Mortgagor remains liable thereon. If the foregoing is not permitted under applicable law, the Servicer is authorized to enter into a substitution of liability agreement with such Person, pursuant to which the original Mortgagor is released from liability and such Person is substituted as Mortgagor and becomes liable under the Note; provided that no such substitution will be permitted unless such person satisfies the underwriting criteria of the Servicer and has a credit score at least equal to that of the original Mortgagor. The Mortgage Loan, as assumed, shall conform in all respects to the requirements, representations and warranties of this Agreement. The Servicer shall not take or enter into any assumption and modification agreement, however, unless (to the extent practicable under the circumstances) it shall have received confirmation, in writing, of the continued effectiveness of any applicable hazard insurance policy. The Servicer shall notify the Trustee that any such assumption or substitution agreement has been completed by forwarding to the Trustee the original copy of such assumption or substitution agreement (indicating the Mortgage File to which it relates) which copy shall be added by the Trustee to the related Mortgage File and which shall, for all purposes, be considered a part of such Mortgage File to the same extent as all other documents and instruments constituting a part thereof. The Servicer shall be responsible for recording any such assumption or substitution agreements. In connection with any such assumption or substitution agreement, the Monthly Payment on the related Mortgage Loan shall not be changed but shall remain as in effect immediately prior to the assumption or substitution, the stated maturity or outstanding principal amount of such Mortgage Loan shall not be changed nor shall any required monthly payments of principal or interest be deferred or forgiven. Any fee collected by the Servicer for consenting to any such conveyance or entering into an assumption or substitution agreement shall be retained by or paid to the Servicer as additional servicing compensation.

Notwithstanding the foregoing paragraph or any other provision of this Agreement, the Servicer shall not be deemed to be in default, breach or any other violation of its obligations hereunder by reason of any assumption of a Mortgage Loan by operation of law or any assumption which the Servicer may be restricted by law from preventing, for any reason whatsoever.

#### Section 3.15 Notification of Adjustments.

On each Adjustment Date, the Servicer shall make Mortgage Interest Rate adjustments for each Adjustable-Rate Mortgage Loan in compliance with the requirements of the related Mortgage and Mortgage Note and Applicable Regulations. The Servicer shall execute and deliver the notices required by each Mortgage and Mortgage Note and Applicable Regulations regarding Mortgage Interest Rate adjustments. Upon the discovery by the Servicer or the Trustee that the Servicer has failed to adjust or has incorrectly adjusted a Mortgage Interest Rate or a Monthly Payment pursuant to the terms of the related Mortgage Note and Mortgage, the Servicer shall deliver to the Trustee for deposit in the Distribution Account from its own funds the amount of any interest loss caused thereby without reimbursement therefor; provided, however, the Servicer shall be held harmless with respect to any Mortgage Interest Rate adjustments made by any servicer prior to the Servicer.

The Servicer shall not hire or otherwise utilize the services of any Subservicer to fulfill any of the obligations of the Servicer as servicer under this Agreement unless the Servicer complies with the provisions of this Section 3.16 and the proposed Subservicer (i) is an institution which is an approved Fannie Mae or Freddie Mac Seller/Servicer as indicated in writing, (ii) represents and warrants that it is in compliance with the laws of each state as necessary to enable it to perform its obligations under such subservicing agreement and (iii) is acceptable to the NIMS Insurer.

The Servicer shall give prior written notice to the Trustee, the Depositor and the NIMS Insurer of the appointment of any Subservicer and shall furnish to the Trustee, the Depositor and the NIMS Insurer a copy of any related subservicing agreement. For purposes of this Agreement, the Servicer shall be deemed to have received payments on Mortgage Loans immediately upon receipt by any Subservicer of such payments. Any such subservicing agreement shall be consistent with and not violate the provisions of this Agreement. Each subservicing agreement shall provide that a successor Servicer or the Trustee shall have the option to terminate such agreement without payment of any fees if the predecessor Servicer is terminated or resigns. The Servicer shall cause any Subservicer used by the Servicer (or by any Subservicer) to comply with the provisions of this Section 3.16 and with Sections 3.19, 3.20 and 3.31 of this Agreement (and shall amend, with the consent of the parties hereto, Exhibit Q to reflect such Subservicer's Assessment of Compliance with the Servicing Criteria) to the same extent as if such Subservicer were the Servicer. The Servicer shall be responsible for obtaining from each such Subservicer and delivering to the applicable Persons any Assessment of Compliance and related Attestation Report required to be delivered by such Subservicer under Sections 3.19 and 3.20 and any certification required to be delivered under Section 3.31 to the Person that will be responsible for signing the Sarbanes-Oxley Certification, in each case as and when required to be delivered.

Subject to the conditions set forth in this Section 3.16, the Servicer is permitted to utilize one or more Subcontractors to perform certain of its obligations hereunder. The Servicer shall promptly upon request provide to the Depositor a written description (in form and substance satisfactory to the Depositor) of the role and function of each Subcontractor utilized by the Servicer, specifying (i) the identity of each such Subcontractor that is a Servicing Function Participant and (ii) which elements of the Servicing Criteria will be addressed in Assessments of Compliance provided by each Servicing Function Participant. As a condition to the utilization by the Servicer of any Servicing Function Participant, the Servicer shall cause any such Servicing Function Participant for the benefit of the Depositor to comply with the provisions of Section 3.19 and 3.20 of this Agreement to the same extent as if such Servicing Function Participant were the Servicer. The Servicer shall be responsible for obtaining from each such Servicing Function Participant and delivering to the applicable Persons any Assessment of Compliance and related Attestation Report required to be delivered by such Servicing Function Participant under Section 3.20, in each case as and when required to be delivered.

Notwithstanding the foregoing, if the Servicer engages a Subcontractor in connection with the performance of any of its duties under this Agreement, the Servicer shall be responsible for determining whether such Subcontractor is an Additional Servicer.

Notwithstanding any subservicing agreement or the provisions of this Agreement relating to agreements or arrangements between the Servicer and a Subservicer or a Subcontractor or reference to actions taken through a Subservicer, Subcontractor or otherwise, the Servicer shall remain obligated and primarily liable to the Trustee and the Certificateholders for the servicing and administering of the Mortgage Loans in accordance with the provisions of Section 3.01 without diminution of such obligation or liability by virtue of such subservicing agreements or arrangements or by virtue of indemnification from the Subservicer or the Subcontractor and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Mortgage Loans. The Servicer shall be entitled to enter into any agreement with a Subservicer or Subcontractor for indemnification of the Servicer by such Subservicer or Subcontractor and nothing contained in this Agreement shall be deemed to limit or modify such indemnification.

The Servicer shall indemnify the Depositor, the Sponsor and the Trustee and any of their directors, officers, employees or agents and hold them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to the failure of the Servicer to perform any of its obligations under Section 3.16, Section 3.19, Section 3.20 or Section 3.31.

Section 3.17 Trustee to Cooperate; Release of Files.

(a) Upon the payment in full of any Mortgage Loan (including any liquidation of such Mortgage Loan through foreclosure or otherwise, or the receipt by the Servicer of a notification that payment in full will be escrowed in a manner customary for such purposes), the Servicer shall deliver to the Trustee, in written form (with two executed copies) or electronic form, of a completed "Request for Release" in the form of Exhibit E. Upon receipt of such Request for Release of Documents, the Trustee shall promptly release the related Mortgage File within three (3) Business Days via overnight mail delivery (at the expense of the Servicer), in trust, to (i) the Servicer, or (ii) such other party identified in the related Request for Release. The Trustee agrees to indemnify the Servicer, out of its own funds, for any loss, liability or expense (other than special, indirect, punitive or consequential damages which will not be paid by the Trustee) incurred by the Servicer as a direct result of the negligence or willful misconduct by the Trustee in releasing the Mortgage File as provided above. Upon any such payment in full, or the receipt of such notification that such funds have been placed in escrow, the Trustee hereby authorizes and empowers the Servicer to execute an instrument of satisfaction (or assignment of Mortgage without recourse) regarding the Mortgaged Property relating to such Mortgage, which instrument of satisfaction or assignment shall be delivered to the Person or Persons entitled thereto against receipt therefor of payment in full, it being understood and agreed that no expense incurred in connection with such instrument of satisfaction or assignment, as the case may be, shall be chargeable to the Collection Account.



(b) From time to time and as appropriate in the servicing of any Mortgage Loan, including, without limitation, foreclosure or other comparable conversion of a Mortgage Loan or collection under any insurance policy relating to a Mortgage Loan, the Trustee shall (except in the case of the payment or liquidation pursuant to which the related Mortgage File is released to an escrow agent or an employee, agent or attorney of the Trustee), upon written request of the Servicer and delivery to the Trustee, in written form (with two executed copies) or electronic form, of a "Request for Release" in the form of Exhibit E signed by a Servicing Officer, release the related Mortgage File to the Servicer within three (3) Business Days and shall execute such documents as shall be necessary to the prosecution of any such proceedings, including, without limitation, an assignment without recourse of the related Mortgage to the Servicer. Such receipt shall obligate the Servicer to return the Mortgage File to the Trustee when the need therefor by the Servicer no longer exists unless the Mortgage Loan shall be liquidated, in which case, upon receipt of a Request for Release evidencing such liquidation, the receipt shall be released by the Trustee to the Servicer.

(c) Subject to Section 3.01, the Servicer shall have the right to accept applications of Mortgagors for consent to (i) partial releases of Mortgages, (ii) alterations, (iii) removal, demolition or division of properties subject to Mortgages, (iv) modifications, and (v) second mortgage subordination agreements. No application for approval shall be considered by the Servicer unless: (w) it has received an Opinion of Counsel, addressed to the Trustee (which opinion shall not be an expense of the Trustee or the Trust Fund) that such sale, disposition, substitution, acquisition or contribution will not affect adversely the status of any REMIC constituting part of the Trust Fund as a REMIC or cause any REMIC constituting part of the Trust Fund to be subject to a tax on "prohibited transactions" or "contributions" pursuant to the REMIC Provisions; (x) the provisions of the related Note and Mortgage have been complied with; (y) the Combined Loan-to-Value Ratio and debt-to-income ratio after any release does not exceed the maximum Combined Loan-to-Value Ratio and debt-to-income ratio established in accordance with the underwriting standards of the Mortgage Loans; and (z) the lien priority of the related Mortgage is not affected. Upon receipt by the Trustee of a Servicing Officer's certificate setting forth the action proposed to be taken in respect of a particular Mortgage Loan and certifying that the criteria set forth in the immediately preceding sentence have been satisfied, the Trustee shall execute and deliver to the Servicer the consent or partial release so requested by the Servicer. A proposed form of consent or partial release, as the case may be, shall accompany any Servicing Officer's certificate delivered by the Servicer pursuant to this paragraph.

### Section 3.18 Servicing Compensation.

As compensation for its activities hereunder, the Servicer shall be entitled to retain the amount of the Servicing Fee with respect to each Mortgage Loan (including REO Properties) and any Prepayment Interest Excess. The Servicer shall be entitled to retain additional servicing compensation in the form of release fees, bad check charges, assumption fees, modification or extension fees, late payment charges, prepayment charges that are not Prepayment Charges, Originator Prepayment Charge Payment Amounts or Servicer Prepayment Charge Payment Amounts, or any other service-related fees and similar items, to the extent collected from Mortgagors.

### Section 3.19 Annual Statement as to Compliance.

The Trustee and the Servicer shall deliver, and shall cause each Additional Servicer engaged by it to deliver, or otherwise make available to the Depositor, the NIMS Insurer, the Trustee and each Rating Agency, no later than March 15th of each calendar year beginning in 2007, an officers' certificate in the form required by Item 1123 of Regulation AB (each, a "Compliance Statement"), signed by an officer of such party, stating, as to the signer thereof, that (a) a review of the activities of such party during the preceding calendar year or portion thereof and of the performance of such party under this Agreement, or, in the case of an Additional Servicer, such other applicable agreement, has been made by such officer or under such officer's supervision and (b) to the best of such officers' knowledge, based on such review, such party has fulfilled all of its obligations under this Agreement, or, in the case of an Additional Servicer, such other applicable agreement in all material respects throughout such year or portion thereof, or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status thereof. Each such Compliance Statement shall contain no restrictions or limitations on its use. The obligations of the Servicer and the Trustee under this Section apply to each entity that acted as Servicer or Trustee, as applicable, during the applicable period, whether or not such entity is acting as Servicer or Trustee at the time such Compliance Statement is required to be delivered.

### Section 3.20 Assessments of Compliance; Attestation Reports.

(a) Each of the Servicer and the Trustee, at its own expense, shall furnish, and shall cause any Servicing Function Participant engaged by it to furnish, at such party's expense, to the Trustee, the NIMS Insurer and the Depositor in electronic form, on or before March 15th of each calendar year beginning in 2007, a report on an assessment of compliance (each, an "Assessment of Compliance") with the Servicing Criteria applicable to it that contains (A) a statement by such party of its responsibility for assessing compliance with the Servicing Criteria applicable to it, (B) a statement that such party used the Servicing Criteria to assess compliance with the Servicing Criteria applicable to it, (C) such party's assessment of compliance with the Servicing Criteria applicable to it as of and for the fiscal year covered by the Form 10-K required to be filed pursuant to Section 3.31, including, if there has been any material instance of noncompliance with the Servicing Criteria applicable to it, an identification of each such failure and the nature and status thereof, (D) a statement that a registered public accounting firm has issued an Attestation Report on such party's Assessment of Compliance with the Servicing Criteria applicable to such party as of and for such period and (E) a statement as to which of the Servicing Criteria, if any, are not applicable to such party, which statement shall be based on the activities it performs with respect to asset-backed securities transactions taken as a whole involving such party, that are backed by the same asset type as the Mortgage Loans.

Each such Assessment of Compliance shall be addressed to the Depositor and the Trustee and signed by an authorized officer of the applicable party, and shall address each of the Relevant Servicing Criteria set forth on Exhibit Q hereto, or as set forth in the notification furnished to the Depositor and the Trustee pursuant to Section 3.20(c). The Servicer and the Trustee hereby acknowledge and agree that their respective

Assessments of Compliance will cover the items identified on Exhibit Q hereto as being covered by such party. The parties to this Agreement acknowledge that where a particular Servicing Criterion has multiple components, each party's assessment of compliance (and related Attestation of Compliance) will relate only to those components that are applicable to such party. Promptly after receipt of such Assessments of Compliance, the Trustee shall confirm that the Assessments of Compliance, taken individually address the applicable Servicing Criteria for each party as set forth on Exhibit Q and notify the Depositor of any exceptions.

(b) Each of the Servicer and the Trustee, at its own expense, shall cause, and shall cause any Servicing Function Participant engaged by it, at such party's expense, to cause, on or before March 15th of each year, commencing in 2007, a registered public accounting firm (which may also render other services to the Servicer, the Trustee, or such other Servicing Function Participants, as the case may be) and that is a member of the American Institute of Certified Public Accountants to furnish electronically a report (an "Attestation Report") to the Trustee and the Depositor (with a hard copy to follow within 10 calendar days), to the effect that (i) it has obtained a representation regarding certain matters from the management of such party, which includes an assertion that such party has complied with the Servicing Criteria applicable to it, and (ii) on the basis of an examination conducted by such firm in accordance with standards for attestation engagements issued or adopted by the Public Company Accounting Oversight Board, it is expressing an opinion as to whether such party's Assessment of Compliance with the Servicing Criteria was fairly stated in all material respects, or it cannot express an overall opinion regarding such party's Assessment of Compliance with the Servicing Criteria. In the event that an overall opinion cannot be expressed, such registered public accounting firm shall state in such report why it was unable to express such an opinion. Such report must be available for general use and not contain restricted use language. If requested by the Depositor, such report shall contain or be accompanied by a consent of such accounting firm to inclusion or incorporation of such report in the Depositor's registration statement on Form S-3 relating to the Offered Certificates and the Form 10-K for the Trust.

Promptly after receipt of such Assessment of Compliance and Attestation Report, the Trustee shall confirm that each Assessment of Compliance is coupled with a related Attestation Report and shall notify the Depositor of any exceptions.

(c) No later than 30 days following the end of each fiscal year for the Trust for which a Form 10-K is required to be filed, (i) the Servicer shall forward to the Trustee and Depositor the name of each Servicing Function Participant engaged by it and what Servicing Criteria will be addressed in the report on Assessment of Compliance prepared by such Servicing Function Participant and (ii) the Trustee shall forward to the Depositor the name of each Servicing Function Participant engaged by it and what Servicing Criteria will be addressed in the report on Assessment of Compliance prepared by such Servicing Function Participant, in each case to the extent of any change from the prior year's notice, if any. When the Servicer and the Trustee submit their respective Assessment of Compliance to the Depositor, the Servicer and/or Trustee, as applicable, shall also at such time include the Assessment of Compliance and Attestation Report of each Servicing Function Participant engaged by the Servicer and/or Trustee, as applicable.

(d) Beginning with fiscal year 2008 and thereafter, none of the Servicer, the Trustee or any Servicing Function Participant engaged by such parties shall be required to deliver or cause the delivery of any such Assessments of Compliance or Attestation Reports until April 15 unless such party has received written notice from the Depositor that a Form 10-K is required to be filed in respect of the Trust for the preceding fiscal year.

### Section 3.21 Access to Certain Documentation and Information Regarding the Mortgage Loans.

(a) The Servicer shall provide to the Trustee, Certificateholders that are federally insured savings and loan associations, the Office of Thrift Supervision, the FDIC and the supervisory agents and examiners of each of the foregoing (which, in the case of supervisory agents and examiners, may be required by applicable state and federal regulations) access to the available documentation regarding the Mortgage Loans, such access being afforded without charge but only upon reasonable advance request and during normal business hours at the offices of the Servicer designated by it.

(b) The Servicer, in its capacity as an Originator and Servicer, shall afford the NIMS Insurer, upon reasonable advance notice, during normal business hours, access to all records maintained by the Servicer in respect of its rights and obligations hereunder and access to officers of the Servicer responsible for such obligations. Upon request, the Servicer shall furnish to the NIMS Insurer its most recent publicly available financial statements and such other information relating to its capacity to perform its obligations under this Agreement.

### Section 3.22 Duties of Credit Risk Manager.

For and on behalf of the Depositor, the Credit Risk Manager shall provide reports and recommendations as to loss mitigation activities concerning Mortgage Loans that are past due, are in default, as to which there has been commencement of foreclosure, as to which there has been forbearance in exercise of remedies, as to which any obligor is the subject of bankruptcy, receivership, or an arrangement of creditors, or which have become REO Properties. Such reports and recommendations will be based upon information provided pursuant to the Credit Risk Management Agreement. The Credit Risk Manager shall look solely to the Servicer for all information and data (including loss and delinquency information and data) and loan-level information and data relating to the servicing of the Mortgage Loans.

The Credit Risk Manager may be removed at any time by a vote of Certificateholders holding Certificates evidencing at least 66 2/3% of the aggregate Voting Rights of the Certificates. After any such termination, the Credit Risk Manager shall have no further obligations hereunder, and shall no longer be entitled to the Credit Risk Manager Fee.

### Section 3.23 Obligations of the Servicer in Respect of Compensating Interest.

Not later than the close of business on each Servicer Remittance Date, the Servicer shall deliver to the Trustee for deposit in the Distribution Account an amount ("Compensating Interest") equal to the lesser of (A) the aggregate of the Prepayment Interest Shortfalls on the Mortgage Loans for the related Distribution Date resulting from Principal Prepayments in full on the Mortgage Loans during the related Prepayment Period and (B) the aggregate Servicing Fee received in the related Collection Period. The Servicer shall apply Compensating Interest to offset any Prepayment Interest Shortfalls resulting from Principal Prepayments in full on the Mortgage Loans. The Servicer shall not have the right to reimbursement for any amounts remitted to the Trustee in respect of Compensating Interest. Such amounts so remitted shall be included in the Available Funds and distributed therewith on the next Distribution Date. The Servicer shall not be obligated to pay Compensating Interest with respect to Prepayment Interest Shortfalls resulting from partial Principal Prepayments or Relief Act Interest Shortfalls.

#### Section 3.24 Obligations of the Servicer in Respect of Mortgage Interest Rates and Monthly Payments.

In the event that a shortfall in any collection on or liability with respect to any Mortgage Loan results from or is attributable to adjustments to Mortgage Interest Rates, Monthly Payments or Principal Balances that were made by the Servicer in a manner not consistent with the terms of the related Mortgage Note and this Agreement, the Servicer, upon discovery or receipt of notice thereof, immediately shall deliver to the Trustee for deposit in the Distribution Account from its own funds the amount of any such shortfall and shall indemnify and hold harmless the Trust Fund, the Trustee, the Depositor and any successor servicer in respect of any such liability. Such indemnities shall survive the termination or discharge of this Agreement. Notwithstanding the foregoing, this Section 3.24 shall not limit the ability of the Servicer to seek recovery of any such amounts from the related Mortgagor under the terms of the related Mortgage Note, as permitted by law.

#### Section 3.25 Investment of Funds in the Collection Account and the Distribution Account.

(a) The Servicer may direct any depository institution maintaining the Collection Account and the Trustee may direct any depository institution maintaining the Distribution Account (for purposes of this Section 3.25, each an "Investment Account"), to invest the funds in such Investment Account in one or more Eligible Investments bearing interest or sold at a discount, and maturing, unless payable on demand, (i) no later than the Business Day immediately preceding the date on which such funds are required to be withdrawn from such account pursuant to this Agreement, if a Person other than the Trustee is the obligor thereon, and (ii) no later than the date on which such funds are required to be withdrawn from such account pursuant to this Agreement, if the Trustee is the obligor thereon or if such investment is managed or advised by the Trustee or an Affiliate of the Trustee. All such Eligible Investments shall be held to maturity, unless payable on demand. Any investment of funds in an Investment Account shall be made in the name of the Trustee or the Servicer, as applicable (in its capacity as such) or in the name of a nominee of the Trustee. The Trustee shall be entitled to sole possession (except with respect to investment direction of funds held in the Collection Account) over each such investment and the income thereon, and any certificate or other instrument evidencing any such investment shall be delivered directly to the Trustee or its agent, together with any document of transfer necessary to transfer title to such investment to the Trustee or its nominee. In the event amounts on deposit in an Investment Account are at any time invested in an Eligible Investment payable on demand, the Trustee shall at the direction of the Servicer:

(x) consistent with any notice required to be given thereunder, demand that payment thereon be made on the last day such Eligible Investment may otherwise mature hereunder in an amount equal to the lesser of (1) all amounts then payable thereunder and (2) the amount required to be withdrawn on such date; and

(y) demand payment of all amounts due thereunder promptly upon determination by a Responsible Officer of the Trustee that such Eligible Investment would not constitute an Eligible Investment in respect of funds thereafter on deposit in the Investment Account.

(b) All income and gain realized from the investment of funds in the Collection Account shall be for the benefit of the Servicer. The Servicer shall deposit in the Collection Account or (to the extent funds in the Escrow Account are invested if permitted by applicable law) the Escrow Account, as applicable, from its own funds the amount of any loss incurred in respect of any such Eligible Investment made with funds in such account immediately upon realization of such loss. All income and gain realized from the investment of funds in the Distribution Account shall be for the benefit of the Trustee. The Trustee shall deposit in the Distribution Account from its own funds the amount of any loss incurred on Eligible Investments in the Distribution Account.

(c) Except as otherwise expressly provided in this Agreement, if any default occurs in the making of a payment due under any Eligible Investment, or if a default occurs in any other performance required under any Eligible Investment, the Trustee may and, subject to Section 8.01 and Section 8.02(a)(v), upon the request of the NIMS Insurer or Holders of Certificates representing more than 50% of the Voting Rights allocated to any Class of Certificates, shall take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate proceedings.

The Trustee shall not in any way be held liable by reason of any insufficiency in any Account held by the Trustee resulting from any investment loss on any Eligible Investment included therein (except to the extent that the Trustee is the obligor and has defaulted thereon).

#### Section 3.26 Liability of Servicer; Indemnification.

(a) Subject to clause (b) below and Section 6.03, the Servicer (except the Trustee if it is required to succeed the Servicer hereunder) indemnifies and holds the Trustee, the Depositor, the NIMS Insurer and the Trust Fund harmless against any and all third party claims, losses, penalties, fines, forfeitures, reasonable legal fees and related costs, judgments, and any other costs, fees and expenses that the Trustee, the Depositor, the NIMS Insurer and the Trust Fund may sustain in any way

related to the failure of the Servicer to perform its duties and service the Mortgage Loans in compliance with the Servicing Standard, including, but not limited to the Servicer's obligation to deliver any information, report, certification, accountants' letter or other material required to comply with Regulation AB or (b) any material breach by the Servicer or any of the representations and warranties contained in Section 2.05. The Servicer shall immediately notify the Trustee, the NIMS Insurer and the Depositor if a claim is made that may result in such claims, losses, penalties, fines, forfeitures, legal fees or related costs, judgments, or any other costs, fees and expenses, and the Servicer shall assume (with the consent of the Trustee) the defense of any such claim and pay all expenses in connection therewith, including reasonable counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against the Servicer, the Trustee, the Depositor, the NIMS Insurer and/or the Trust Fund in respect of such claim. The provisions of this Section 3.26 shall survive the termination of this Agreement and the payment of the outstanding Certificates.

(b) None of the Depositor, the NIMS Insurer, the Servicer, or any of the directors, officers, employees or agents of the Depositor or the Servicer shall be under any liability to the Trust Fund or the Certificateholders 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 Depositors, the NIMS Insurer or the Servicer or any such Person against any breach of warranties or representations made by such party herein, or against any specific liability imposed on the Servicer for a breach of the Servicing Standard and/or this Agreement, or against any liability which would otherwise be imposed by reason of its respective willful misfeasance, bad faith, fraud or negligence in the performance of its duties or by reasons of negligent disregard of its respective obligations or duties hereunder.

The Depositor, the NIMS Insurer, the Servicer and any director, officer, employee or agent of the Depositor, the NIMS Insurer or the Servicer, may rely in good faith on any document of any kind which, prima facie, is properly executed and submitted by any appropriate Person with respect to any matters arising hereunder. The Depositor, the Servicer, the NIMS Insurer and any director, officer, employee or agent of the Depositor, the Servicer or the NIMS Insurer shall be indemnified and held harmless by the Trust against any loss, liability or expense incurred in connection with any legal action relating to this Agreement or the Certificates, other than any loss, liability or expense incurred in connection with any legal action incurred by reason of its respective misfeasance, bad faith, fraud or negligence, a breach of a representation or warranty made by such party hereunder or (in the case of the Servicer) a breach of the Servicing Standard in the performance of its respective duties or by reason of negligent disregard of its respective obligations or duties hereunder. Neither the Depositor, the NIMS Insurer, nor the Servicer shall be under any obligation to appear in, prosecute or defend any legal action unless such action is related to its respective duties under this Agreement and in its opinion does not expose it to any expense or liability; provided, however, that the Depositor, the NIMS Insurer or the Servicer may in their discretion undertake any action related to their obligations hereunder which they may deem necessary or desirable with respect to this Agreement and the rights and duties of the parties hereto and the interests of the Certificateholders hereunder. The Servicer's right to indemnity or reimbursement pursuant to this Section shall survive any resignation or termination of the Servicer pursuant to Section 6.04 or 7.01 with respect to any losses, expenses, costs or liabilities arising prior to such resignation or termination (or arising from events that occurred prior to such resignation or termination).

#### Section 3.27 Reports of Foreclosure and Abandonment of Mortgaged Properties.

Beginning in 2006, the Servicer shall file the reports of foreclosure and abandonment of any Mortgaged Property required by Section 6050J of the Code with the Internal Revenue Service on or before the due date for any such report. Not later than 90 days following the end of each calendar year, beginning in 2006, the Servicer will deliver an Officer's Certificate to the Trustee and the NIMS Insurer certifying its compliance with this Section 3.27. The reports from the Servicer shall be in form and substance sufficient to meet the reporting requirements imposed by such Section 6050J.

#### Section 3.28 Protection of Assets.

(a) Except for transactions and activities entered into in connection with the securitization that is the subject of this Agreement, the Trust is not authorized and has no power to:

- (1) borrow money or issue debt;
- (2) merge with another entity, reorganize, liquidate or sell assets; or
- (3) engage in any business or activities.

(b) Each party to this Agreement agrees that it will not file an involuntary bankruptcy petition against the Trustee or the Trust Fund or initiate any other form of insolvency proceeding until after the Certificates have been paid.

#### Section 3.29 Limitation of Liability of the Credit Risk Manager.

Neither the Credit Risk Manager, nor any of the directors, officers, employees or agents of the Credit Risk Manager, shall be under any liability to the Depositor, the Servicer, the Trustee or the Certificateholders for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement, in reliance upon information provided by the Servicer under the Credit Risk Management Agreement or for errors in judgment; provided, however, that this provision shall not protect the Credit Risk Manager or any such person against liability that would otherwise be imposed by reason of willful malfeasance, bad faith or negligence in its performance of its duties or by reason of reckless disregard for its obligations and duties under this Agreement or the applicable Credit Risk Management Agreement. The Credit Risk Manager

and any director, officer, employee or agent of the Credit Risk Manager 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, and may rely in good faith upon the accuracy of information furnished by the Servicer pursuant to the applicable Credit Risk Management Agreement in the performance of its duties thereunder and hereunder.

### Section 3.30 No Personal Solicitation.

From and after the Closing Date, the Servicer agrees that it will not take any action or permit or cause any action to be taken by any of its agents and Affiliates, or by any independent contractors or independent mortgage brokerage companies on the Servicer's behalf, to personally, by telephone, mail or electronic mail, solicit the Mortgagor under any Mortgage Loan for the purpose of refinancing such Mortgage Loan; provided, that the Servicer may (i) with respect to each Adjustable Rate Mortgage Loan, solicit any Mortgagor 60 days prior to the later of the expiration of (a) any applicable prepayment penalty period or (b) the applicable fixed-rate period and (ii) with respect to each Fixed-Rate Mortgage Loan, solicit any Mortgagor 60 days prior to the later of (a) the expiration of any applicable prepayment penalty period or (b) 24 months after its origination; provided, further, that the Servicer may solicit any Mortgagor for whom the Servicer has received a request for verification of mortgage, a request for demand for payoff, a mortgagor initiated written or verbal communication indicating a desire to prepay the related Mortgage Loan, or the mortgagor initiates a title search; provided further, it is understood and agreed that promotions undertaken by the Servicer or any of its Affiliates which

(i) concern optional insurance products or other additional products or (ii) are directed to the general public at large, including, without limitation, mass mailings based on commercially acquired mailing lists, newspaper, radio and television advertisements shall not constitute solicitation under this Section, nor is the Servicer prohibited from responding to unsolicited requests or inquiries made by a Mortgagor or an agent of a Mortgagor. Furthermore, the Servicer shall be permitted to include in its monthly statements to borrowers or otherwise, statements regarding the availability of the Servicer's counseling services with respect to refinancing mortgage loans.

### Section 3.31 Periodic Filings.

(a) The Trustee and the Servicer shall reasonably cooperate with the Depositor to enable the Depositor to satisfy its reporting requirements under the Exchange Act and the parties hereto shall reasonably cooperate to enable the Commission's requirements with respect to the Depositor to be met in the event that the Commission issues additional interpretive guidelines or promulgates rules or regulations, or in the event of any other change of law that would require reporting arrangements or the allocation of responsibilities with respect thereto, as described in this Section 3.31, to be conducted or allocated in a different manner. Without limiting the generality of the foregoing, the Trustee shall prepare on behalf of the Depositor any Current Reports on Form 8-K (each, a "Form 8-K"), Distribution Reports on Form 10-D (each, a "Form 10-D") and Annual Reports on Form 10-K (each, a "Form 10-K") as required by the Exchange Act and the rules and regulations of the Commission thereunder, the Depositor shall sign and the Trustee shall file (via the Commission's Electronic Data Gathering and Retrieval System) such Forms on behalf of the Depositor. Notwithstanding the foregoing, the Depositor shall prepare, sign and file the Form 8-K in connection with the issuance of the Certificates.

(b) Each Form 10-D shall be prepared and filed in the form and substance as required by the Exchange Act by the Trustee within 15 days after each Distribution Date (subject to permitted extensions under the Exchange Act) and shall include a copy of the Distribution Date Statement for such Distribution Date as an exhibit thereto. In addition, the Trustee shall include under Item 1 of each Form 10-D any information required by Item 1121 of Regulation AB to the extent relevant that is not included on the Distribution Date Statement. Any information in addition to the Distribution Date Statement and any other information required by Item 1121 of Regulation AB ("Additional Form 10-D Information") shall be determined by the party preparing such information as set forth on Exhibit R-1 hereto and the Trustee shall compile such information pursuant to the following paragraph. The Trustee will have no duty or liability for any failure hereunder to determine or prepare any Additional Form 10-D Information, except to the extent of its obligations as set forth in the next paragraph.

As set forth on Exhibit R-1 hereto, within five (5) calendar days (or, solely in the case of Item 7 listed on Exhibit R-1, the greater of five (5) calendar days or three (3) Business Days) after the related Distribution Date, (i) the parties described on Exhibit R-1 shall be required to provide to the Depositor and the Trustee, to the extent known by such parties, in EDGAR-compatible format, or in such other form as otherwise agreed upon by the Trustee and such party, any Additional Form 10-D Information, if applicable, together with an Additional Disclosure Notification in the form of Exhibit U hereto (an "Additional Disclosure Notification") and (ii) the Depositor will approve, as to form and substance, or disapprove, as the case may be, the inclusion of the Additional Form 10-D Information (other than with respect to Additional Form 10-D Information provided by the Trustee). The Depositor will be responsible for all reasonable fees and expenses assessed or incurred by the Trustee in connection with including any Additional Form 10-D Information on Form 10-D pursuant to this paragraph, including converting any such information to an EDGAR-compatible format.

After preparing the Form 10-D, the Trustee shall forward electronically a copy of the Form 10-D to the Depositor for review. No later than 2 Business Days prior to the 15th calendar day after the related Distribution Date, the Depositor shall sign the Form 10-D and return an electronic or fax copy of such signed Form 10-D (with an original executed hard copy to immediately follow) to the Trustee. If a Form 10-D cannot be filed on time or if a previously filed Form 10-D needs to be amended, the Trustee will follow the procedures set forth in Section 3.31(e). Form 10-D requires the registrant to indicate (by checking "yes" or "no") that it "(1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days." The Depositor hereby instructs the Trustee, with respect to each Form 10-D, to check "yes" for each item unless the Trustee has received timely prior written notice from the Depositor that the answer should be "no" for an item. Promptly (but no later than one Business Day) after filing with the Commission, the Trustee will make available on its internet website a final executed copy of each Form 10-D. Each party to this Agreement acknowledges that the performance by the Trustee of its duties under this

Section 3.31(b) related to the timely preparation, arrangement for execution and filing of Form 10-D is contingent upon such parties strictly observing all applicable deadlines in the performance of their duties under this Section

3.31(b). The Trustee shall have no liability for any loss, expense, damage or claim arising out of or with respect to any failure to properly prepare and/or timely file such Form 10-D, where such failure results from the Trustee's inability or failure to obtain or receive, on a timely basis, any information from any party hereto or any Servicing Function Participant or any party hereto (other than the Trustee or any Servicing Function Participant utilized by the Trustee) needed to prepare, arrange for execution or file such Form 10-D, not resulting from its own negligence, bad faith or wilful misconduct.

(c) On or before 90 days after the end of each fiscal year of the Trust (or such earlier date as may be required by the Exchange Act and the rules and regulations of the Commission) (the "10-K Filing Deadline") commencing in 2007, the Trustee shall prepare and file a Form 10-K, in form and substance as required by applicable law or applicable Commission staff interpretations. Each such Form 10-K shall include the following items, in each case to the extent they have been delivered to the Trustee within the applicable time frames set forth in this Agreement: (i) a Compliance Statement for the Trustee, the Servicer and each Additional Servicer, as described under Section 3.19, (ii)(A) the Assessment of Compliance for each of the Servicer, the Trustee and each Servicing Function Participant, as described under Section 3.20, and (B) if the Servicer's, the Trustee's or each Servicing Function Participant's Assessment of Compliance described under Section 3.20 identifies any material instance of noncompliance or is not included, disclosure identifying such instance of noncompliance or disclosure that such report is not included and an explanation thereof, as the case may be, (iii)(A) the registered public accounting firm Attestation Report for the Servicer, the Trustee and each Servicing Function Participant, as described under Section 3.20, and (B) if any registered public accounting firm Attestation Report described under Section 3.20 identifies any material instance of noncompliance or is not included, disclosure identifying such instance of noncompliance or disclosure that such report is not included and an explanation thereof, as the case may be, and (iv) a Sarbanes-Oxley Certification. Any information in addition to (i) through (iv) above that is required to be included on Form 10-K ("Additional Form 10-K Information") shall be reported by the party responsible for preparing such information as set forth on Exhibit R-2 hereto and the Trustee shall compile such information pursuant to the following paragraph. The Trustee will have no duty or liability for any failure hereunder to determine or prepare any Additional Form 10-K Information, except to the extent of its obligations as set forth in the next paragraph.

As set forth on Exhibit R-2 hereto, no later than March 1st of each year that the Trust is subject to the Exchange Act reporting requirements, commencing in 2007 (i) the parties described in Exhibit R-2 shall be required to provide to the Trustee and the Depositor, to the extent known by such applicable parties, in EDGAR-compatible format, or in such other form as otherwise agreed upon by the Trustee and such party, any Additional Form 10-K Information, if applicable, together with an Additional Disclosure Notification and (ii) the Depositor will approve, as to form and substance, or disapprove, as the case may be, the inclusion of the Additional Form 10-K Information (other than with respect to Additional Form 10-K Information provided by the Trustee). The Depositor will be responsible for all reasonable fees and expenses assessed or incurred by the Trustee in connection with including any Additional Form 10-K Information on Form 10-K pursuant to this paragraph, including converting any such information to an EDGAR-compatible format.

After preparing the Form 10-K, the Trustee shall forward electronically a copy of the Form 10-K to the Depositor for review. No later than the close of business on the fourth Business Day prior to the 10-K Filing Deadline, a senior officer of the Depositor in charge of securitization shall sign the Form 10-K and return an electronic or fax copy of such signed Form 10-K to the Trustee. If a Form 10-K cannot be filed on time or if a previously filed Form 10-K needs to be amended, the Trustee will follow the procedures set forth in Section 3.31(e). The Depositor hereby instructs the Trustee, with respect to each Form 10-K, to check "yes" for each item unless the Trustee has received timely prior written notice from the Depositor that the answer should be "no" for an item. Promptly (but no later than one Business Day) after filing with the Commission, the Trustee will make available on its internet website a final executed copy of each Form 10-K. The parties to this Agreement acknowledge that the performance by the Trustee of its duties under this Section 3.31(c) relating to the timely preparation and filing of Form 10-K is contingent upon such parties (and any Additional Servicer or Servicing Function Participant) strictly observing all applicable deadlines in the performance of their duties under this

Section 3.31, Section 3.19 and Section 3.20. The Trustee shall have no liability for any loss, expense, damage, claim arising out of or with respect to any failure to properly prepare and/or timely file such Form 10-K, where such failure results from the Trustee's inability or failure to obtain or receive, on a timely basis, any information from any party hereto or any Servicing Function Participant (other than the Trustee or any Servicing Function Participant utilized by the Trustee) needed to prepare, arrange for execution or file such Form 10-K, not resulting from its own negligence, bad faith or willful misconduct.

The Form 10-K shall also include a certification in the form attached hereto as Exhibit O (the "Sarbanes-Oxley Certification"), which shall be signed by a senior officer of the Depositor in charge of securitization. The Depositor shall deliver the Sarbanes-Oxley Certification to the Trustee four (4) Business Days prior to the latest date on which the Form 10-K may be timely filed.

For so long as the Trust is subject to the reporting requirements of the Exchange Act, the Trustee and the Servicer shall provide, and shall cause any Servicing Function Participant engaged by it to provide, to the Depositor, on or before March 15th of each year, commencing in March 2007, and otherwise within a reasonable time upon request, a certification in the form attached hereto as Exhibit P-1, in the case of the Trustee, and Exhibit P-2, in the case of the Servicer. In the event the Trustee or the Servicer is terminated or resigns pursuant to the terms of this Agreement, such Trustee or Servicer shall provide a certification in the form attached hereto as Exhibit P-1, in the case of the Trustee, or Exhibit P-2, in the case of the Servicer, with respect to the period of time it was subject to this Agreement. In the event that prior to the filing date of the Form 10-K in March of each year, the Trustee or the Servicer has actual knowledge of information material to the Sarbanes-Oxley Certification, that party shall promptly notify the Depositor and each of the other parties signing the certifications.

In addition, (i) the Trustee shall indemnify and hold harmless the Depositor, the Servicer, the Sponsor and their officers, directors and Affiliates from and against any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments and other costs and expenses arising out of or based upon (A) any inaccuracy in the Assessment of Compliance with the Servicing Criteria pursuant to

Section 3.20 provided by the Trustee or any Servicing Function Participant appointed by the Trustee and (B) any inaccuracy in the certification provided by the Trustee pursuant to this

Section 3.31(c), and (C) any breach by the Trustee of its obligations (or of the obligations of any Servicing Function Participant appointed by the Trustee) under Sections 3.20 and 3.31 or the Trustee's or such Servicing Function Participant's negligence, bad faith or willful misconduct in connection therewith and (ii) the Servicer shall indemnify and hold harmless the Depositor, the Sponsor, the Trustee and their respective officers, directors, employees, agents and Affiliates from and against any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments and other costs and expenses arising out of or based upon (A) any inaccuracy in the Assessment of Compliance with the Servicing Criteria pursuant to Section 3.20 provided by the Servicer or any Servicing Function Participant appointed by the Servicer, (B) any inaccuracy in the certification provided by the Servicer pursuant to this Section 3.31(c), and (C) any breach by the Servicer of its obligations (or of the obligations of any Servicing Function Participant appointed by the Servicer) under Sections 3.20 and 3.31 or the Servicer's or such Servicing Function Participant's negligence, bad faith or willful misconduct in connection therewith. If the indemnification provided for herein is unavailable or insufficient to hold harmless the Depositor, the Servicer, the Trustee and the Sponsor and their officers, directors and Affiliates, then the indemnifying party agrees that it shall contribute to the amount paid or payable by the indemnified party and any of their officers, directors or Affiliates as a result of the losses, claims, damages or liabilities of the indemnified party, any of their officers, directors or Affiliates in such proportion as is appropriate to reflect the relative fault of the indemnifying party and each of their officers, directors and Affiliates on the one hand and the indemnified party on the other in connection with a breach of the indemnifying party's obligations under this Section 3.31(c) or Section 3.20 or the indemnifying party's negligence, bad faith or willful misconduct in connection therewith. The Servicer hereby acknowledges and agrees that the Depositor and the Trustee are relying on the Servicer's performance of its obligations under Sections 3.19, 3.20 and 3.31 in order to perform their respective obligations under this Section 3.31.

(d) Within four (4) Business Days (or, in the case of any information disclosed pursuant to Item 7.01 of Form 8-K, within the time period required by Regulation FD) after the occurrence of an event requiring disclosure on Form 8-K (each such event, a "Reportable Event"), and also if requested by the Depositor, the Trustee shall prepare and file on behalf of the Trust any Form 8-K, as required by the Exchange Act, provided that the Depositor shall file the initial Form 8-K in connection with the issuance of the Certificates. Any information related to a Reportable Event or that is otherwise required to be included on Form 8-K other than the initial Form 8-K (such information, "Form 8-K Information") shall be reported to the Depositor and the Trustee by the parties set forth on Exhibit R-3 hereto and compiled by the Trustee pursuant to the following paragraph. The Trustee will have no duty or liability for any failure hereunder to determine or prepare any Form 8-K Information or any Form 8-K, except to the extent of its obligations as set forth in the next paragraph.

As set forth on Exhibit R-3 hereto, for so long as the Trust is subject to the Exchange Act reporting requirements, no later than 12:00 noon EST on the second Business Day after the occurrence of a Reportable Event (i) the parties described in Exhibit R-3 shall be required to provide to the Depositor and the Trustee, to the extent known by such applicable parties, in EDGAR-compatible format, or in such other form as otherwise agreed upon by the Trustee and such party, any Form 8-K Information, if applicable, together with an Additional Disclosure Notification and (ii) the Depositor will approve, as to form and substance, or disapprove, as the case may be, the inclusion of the Additional Form 8-K Information (other than with respect to Additional Form 8-K Information provided by the Trustee). The Depositor will be responsible for all reasonable fees and expenses assessed or incurred by the Trustee in connection with including any Form 8-K Information on Form 8-K pursuant to this paragraph, including converting any such information to an EDGAR-compatible format.

After preparing the Form 8-K, the Trustee shall forward electronically a draft copy of the Form 8-K to the Depositor for review, verification and execution by the Depositor. No later than 12:00 noon EST on the third Business Day after the Reportable Event, an officer of the Depositor shall sign the Form 8-K and return an electronic or fax copy of such signed Form 8-K (with an original executed hard copy to follow by overnight mail) to the Trustee. Promptly (but no later than one Business Day) after filing with the Commission, the Trustee will, make available on its internet website a final executed copy of each Form 8-K prepared and filed by it. If a Form 8-K cannot be filed on time or if a previously filed Form 8-K needs to be amended, the Trustee will follow the procedures set forth in Section 3.31(e). The parties hereto acknowledge that the performance by the Trustee of its duties under this Section 3.31(d) related to the timely preparation and filing of Form 8-K is contingent upon the parties to this Agreement and any other Person obligated to provide Form 8-K Information as set forth on Exhibit R-3 hereto, observing all applicable deadlines in the performance of their duties under this Section 3.31(d). The Trustee shall have no liability for any loss, expense, damage or claim arising out of or with respect to any failure to properly prepare and/or timely file such Form 8-K, where such failure results from the Trustee's inability or failure to obtain or receive, on a timely basis, any information from any party hereto or any Servicing Function Participant (other than the Trustee or any Servicing Function Participant utilized by the Trustee) needed to prepare, arrange for execution or file such Form 8-K, not resulting from its own negligence, bad faith or willful misconduct.

(e) In the event that the Trustee is unable to timely file with the Commission all or any required portion of any Form 8-K, Form 10-D or Form 10-K required to be filed by this Agreement because required information was either not delivered to it or delivered to it after the delivery deadlines set forth in this Agreement or for any other reason, the Trustee will immediately notify the Depositor. In the case of Form 10-D and Form 10-K, the Depositor, Servicer and Trustee will cooperate to prepare and file a Form 12b-25 pursuant to Rule 12b-25 of the Exchange Act. In the case of Form 8-K, the Trustee will, upon receipt of all information required to be included on Form 8-K, file such Form 8-K. Within 5 calendar days following the original due date of the Form 10-D, the Trustee shall prepare and file the related Form 10-D. Within 15 calendar days following the original due date of the Form 10-K, the Trustee shall prepare and file the related Form 10-K. In the event that any previously filed Form 8-K, Form 10-D or Form 10-K needs to be amended, the party to this Agreement deciding that an amendment to such Form 8-K, Form 10-D or Form 10-K is required will notify the Depositor, the Trustee and the Servicer and such parties will cooperate to prepare any necessary Form 8-K/A, Form 10-D/A or Form 10-K/A. Any Form 12b-25 or any amendment to Form 10-D or Form 10-K shall be signed by a senior officer of the Depositor. Any amendment to Form 8-K or any Form 15 (as described in Section 3.31(g)) shall be signed by an officer of the Depositor. The Depositor and Servicer acknowledge that the performance by the Trustee of its duties under this Section 3.31 (e) related to the timely preparation and filing of a Form 12b-25 or any amendment to Form 8-K, Form 10-D or Form 10-K is contingent upon

the Servicer and the Depositor performing their duties under this Section. The Trustee shall have no liability for any loss, expense, damage, claim arising out of or with respect to any failure to properly prepare and/or timely file any such Form 12b-25 or any amendments to Form 8-K, Form 10-D or Form 10-K, where such failure results from the Trustee's inability or failure to obtain or receive, on a timely basis, any information from any other party hereto (other than the Trustee or any Servicing Function Participant utilized by the Trustee) needed to prepare, arrange for execution or file such Form 12b-25 or any amendments to Form 8-K, Form 10-D or Form 10-K, not resulting from its own negligence, bad faith or willful misconduct.

(f) Upon any filing with the Commission, the Trustee shall promptly deliver or otherwise make available to the Depositor a copy of any such executed report, statement or information.

(g) The obligations set forth in paragraphs (a) through (f) of this Section shall only apply with respect to periods for which the Trustee is obligated to file reports on Form 8-K, 10-D or 10-K. Unless otherwise instructed by the Depositor, on or prior to January 30th of the first year in which the Trustee is permitted to do so under Section 15(d) of the Exchange Act and other applicable law and regulations, the Trustee shall prepare (and the Depositor shall execute) and file with the Commission a Form 15 Suspension Notification with respect to the Trust, with a copy to the Depositor. If at the beginning of any year after the filing of a Form 15 Suspension Notification, if the number of Certificateholders of record exceeds the number set forth in Section 15(d) of the Exchange Act or the regulations promulgated pursuant thereto which would cause the Trust to again become subject to the reporting requirements of the Exchange Act, the Trustee shall recommence preparing and filing reports on Form 8-K, 10-D and 10-K as required pursuant to this Section and the parties hereto will again have the obligations set forth in paragraphs (a) through (f) of this Section until such time as the Trustee is again able to file with the Commission a Form 15 Suspension Notification with respect to the Trust.

(h) The Depositor, the Trustee and the Servicer shall notify the Depositor and the Trustee of any proceedings of the type described in Item 1117 of Regulation AB, together with a description thereof, within five Business Days of any such party's knowledge thereof. In addition, the Depositor, the Trustee and the Servicer shall notify the Depositor and the Trustee of any affiliations or relationships that develop following the Closing Date between the Depositor, the Trustee or the Servicer and any of parties listed in Item 1119 of Regulation AB, together with a description thereof, within five Business Days of any such party's knowledge thereof.

(i) The Trustee, the Depositor and the Servicer shall reasonably cooperate to enable the Commission's requirements with respect to the Trust to be met in the event that the Commission issues additional interpretive guidelines or promulgates rules or regulations, or in the event of any other change of law that would require reporting arrangements or the allocation of responsibilities with respect thereto, as described in this Section 3.31, to be conducted or allocated in a different manner.

## ARTICLE IV

### FLOW OF FUNDS

#### Section 4.01 Interest Distributions.

On each Distribution Date, the Trustee shall withdraw from the Distribution Account the Interest Remittance Amount and apply it in the following order of priority (based upon the Mortgage Loan information provided to it in the Remittance Report, upon which the Trustee may conclusively rely), and the calculations required to be made by the Trustee, to the extent available:

(i) to the Credit Risk Manager, the Credit Risk Manager Fee for such Distribution Date;

(ii) concurrently, as follows:

(a) from the Group 1 Interest Remittance Amount, to the Class A-1 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(b) from the Group 2 Interest Remittance Amount, to the Class A-2 Certificates, the Accrued Certificate Interest thereon for such Distribution Date; and

(c) concurrently, from the Group 3 Interest Remittance Amount, to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the Accrued Certificate Interest for each such Class, the applicable Accrued Certificate Interest thereon for such Distribution Date;

(iii) concurrently, as follows:

(a) from the Group 1 Interest Remittance Amount, to the Class A-1 Certificates, the Interest Carry Forward Amount thereon for such Distribution Date;

(b) from the Group 2 Interest Remittance Amount, to the Class A-2 Certificates, the Interest Carry Forward Amount thereon for such Distribution Date; and



(c) concurrently, from the Group 3 Interest Remittance Amount, to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the Interest Carry Forward Amount for each such Class, the applicable Interest Carry Forward Amount thereon for such Distribution Date;

(iv) concurrently, as follows:

(a) if the Group 1 Interest Remittance Amount is insufficient to pay the Class A-1 Certificates' Accrued Certificate Interest for such Distribution Date pursuant to Section 4.01(ii)(a) above, from the remaining Group 2 Interest Remittance Amount and Group 3 Interest Remittance Amount, to the Class A-1 Certificates, to cover such shortfall for such Distribution Date;

(b) if the Group 2 Interest Remittance Amount is insufficient to pay the Class A-2 Certificates' Accrued Certificate Interest for such Distribution Date pursuant to Section 4.01(ii)(b) above, from the remaining Group 1 Interest Remittance Amount and Group 3 Interest Remittance Amount, to the Class A-2 Certificates, to cover such shortfall for such Distribution Date; and

(c) if the Group 3 Interest Remittance Amount is insufficient to pay the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates' applicable Accrued Certificate Interest for such Distribution Date pursuant to Section 4.01(ii)(c) above, concurrently, from the remaining Group 1 Interest Remittance Amount and Group 2 Interest Remittance Amount, to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the remaining Accrued Certificate Interest for each such Class, to cover such shortfall for such Distribution Date;

(v) concurrently, as follows:

(a) if the Group 1 Interest Remittance Amount is insufficient to pay the Class A-1 Certificates' Interest Carry Forward Amount for such Distribution Date pursuant to Section 4.01(iii)(a) above, from the remaining Group 2 Interest Remittance Amount and Group 3 Interest Remittance Amount, to the Class A-1 Certificates, to cover such shortfall for such Distribution Date;

(b) if the Group 2 Interest Remittance Amount is insufficient to pay the Class A-2 Certificates' Interest Carry Forward Amount for such Distribution Date pursuant to Section 4.01(iii)(b) above, from the remaining Group 1 Interest Remittance Amount and Group 3 Interest Remittance Amount, to the Class A-2 Certificates, to cover such shortfall for such Distribution Date; and

(c) if the Group 3 Interest Remittance Amount is insufficient to pay the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates' applicable Interest Carry Forward Amount for such Distribution Date pursuant to Section 4.01(iii)(c) above, concurrently, from the remaining Group 1 Interest Remittance Amount and Group 2 Interest Remittance Amount, to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the remaining Interest Carry Forward Amount for each such Class, to cover such shortfall for such Distribution Date;

(vi) to the Class M-1 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(vii) to the Class M-2 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(viii) to the Class M-3 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(ix) to the Class M-4 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(x) to the Class M-5 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(xi) to the Class M-6 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(xii) to the Class M-7 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(xiii) to the Class M-8 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(xiv) to the Class M-9 Certificates, the Accrued Certificate Interest thereon for such Distribution Date;

(xv) to the Class B Certificates, the Accrued Certificate Interest thereon for such Distribution Date; and

(xvi) the amount, if any, of the Interest Remittance Amount remaining after application with respect to the priorities set forth above will be applied as described under Section 4.02(b) hereof.

Notwithstanding the foregoing, if two Groups are entitled to receive any remaining Accrued Certificate Interest pursuant to clause (iv) of this

Section 4.01 (such Groups, the "Interest Shortfall Groups"), the amount distributed pursuant to clause (iv) of this Section 4.01 to the Interest Shortfall Groups will be paid to such Interest Shortfall Groups, pro rata based on the remaining Accrued Certificate Interest for each such Interest Shortfall Group.

Notwithstanding the foregoing, if two Groups are entitled to receive any remaining Interest Carry Forward Amounts pursuant to clause (v) of this Section 4.01 (such Groups, the "Interest Carry Forward Shortfall Groups"), the amount distributed pursuant to clause (v) of this Section 4.01 to the Interest Carry Forward Shortfall Groups will be paid to such Interest Carry Forward Shortfall Groups, pro rata based on the remaining Interest Carry Forward Amounts for each such Interest Carry Forward Shortfall Group

Section 4.02 Distributions of Principal and Monthly Excess Cashflow Amounts.

(a) On each Distribution Date, the Trustee shall make the following distributions in the following order of priority (based upon the Mortgage Loan information provided to it in the Remittance Report and the calculations required to be made by the Trustee), to the extent of the Principal Distribution Amount:

(i) before the Stepdown Date or with respect to which a Trigger Event is in effect, as follows:

first, concurrently, as follows:

(I) the Group 1 Senior Principal Distribution Amount, to the Class A-1 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

(II) the Group 2 Senior Principal Distribution Amount, to the Class A-2 Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(III) (A) with respect to any Distribution Date prior to the Subordination Depletion Date, sequentially, the Group 3 Senior Principal Distribution Amount, as follows:

(1) sequentially, to the Class A-3A and Class A-3B Certificates, in that order, until the Certificate Principal Balances thereof have been reduced to zero;

(2) concurrently, to the Class A-3C1 and Class A-3C2 Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero; and

(3) to the Class A-3D Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(B) with respect to any Distribution Date on or after the Subordination Depletion Date, concurrently, the Group 3 Senior Principal Distribution Amount, to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero;

second, concurrently, as follows:

(I) the Group 1 Senior Principal Distribution Amount remaining after priority first of this Section 4.02(a)(i), pro rata, as follows:

(A) to the Class A-2 Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(B) (1) with respect to any Distribution Date prior to the Subordination Depletion Date, sequentially, as follows:

(a) sequentially, to the Class A-3A and Class A-3B Certificates, in that order, until the Certificate Principal Balances thereof have been reduced to zero;

(b) concurrently, to the Class A-3C1 and Class A-3C2 Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero; and

(c) to the Class A-3D Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(2) with respect to any Distribution Date on or after the Subordination Depletion Date, concurrently, to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero; and

(II) the Group 2 Senior Principal Distribution Amount remaining after priority first of this Section 4.02(a)(i), pro rata, as follows:

(A) to the Class A-1 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

(B) (1) with respect to any Distribution Date prior to the Subordination Depletion Date, sequentially, as follows:

(a) sequentially, to the Class A-3A and Class A-3B Certificates, in that order, until the Certificate Principal Balances thereof have been reduced to zero;

(b) concurrently, to the Class A-3C1 and Class A-3C2 Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero; and

(c) to the Class A-3D Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(2) with respect to any Distribution Date on or after the Subordination Depletion Date, concurrently, to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero; and

(III) the Group 3 Senior Principal Distribution Amount remaining after priority first of this Section 4.02(a)(i), concurrently, to the Class A-1 and Class A-2 Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero;

third, to the Class M-1 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

fourth, to the Class M-2 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

fifth, to the Class M-3 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

sixth, to the Class M-4 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

seventh, to the Class M-5 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

eighth, to the Class M-6 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

ninth, to the Class M-7 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

tenth, to the Class M-8 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

eleventh, to the Class M-9 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

twelfth, to the Class B Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

thirteenth, any remaining Principal Distribution Amount will be distributed as part of the Monthly Excess Cashflow Amount as set forth in Section 4.02(b); and

(ii) on or after the Stepdown Date and as long as a Trigger Event is not in effect, as follows:

first, concurrently, as follows:

(I) the Group 1 Senior Principal Distribution Amount, to the Class A-1 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

(II) the Group 2 Senior Principal Distribution Amount, to the Class A-2 Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(III) (A) with respect to any Distribution Date prior to the Subordination Depletion Date, sequentially, the Group 3 Senior Principal Distribution Amount, as follows:

(1) sequentially, to the Class A-3A and Class A-3B Certificates, in that order, until the Certificate Principal Balances thereof have been reduced to zero;

(2) concurrently, to the Class A-3C1 and Class A-3C2 Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero; and

(3) to the Class A-3D Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(B) with respect to any Distribution Date on or after the Subordination Depletion Date, concurrently, the Group 3 Senior Principal Distribution Amount to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero;

second, concurrently, as follows:

(I) the Group 1 Senior Principal Distribution Amount remaining after priority first of this Section 4.02(a)(ii), pro rata, as follows:

(A) to the Class A-2 Certificates, until the Certificate Principal Balance thereof has been reduced to zero, up to an amount equal to the Group 2 Senior Principal Distribution Amount not paid pursuant to priority first of this Section 4.02(a)(ii); and

(B) (1) with respect to any Distribution Date prior to the Subordination Depletion Date, sequentially, up to an amount equal to the Group 3 Senior Principal Distribution Amount not paid pursuant to priority first of this Section 4.02(a)(ii), as follows:

(a) sequentially, to the Class A-3A and Class A-3B Certificates, in that order, until the Certificate Principal Balances thereof have been reduced to zero;

(b) concurrently, to the Class A-3C1 and Class A-3C2 Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero; and

(c) to the Class A-3D Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(2) with respect to any Distribution Date on or after the Subordination Depletion Date, concurrently, to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, up to an amount equal to the Group 3 Senior Principal Distribution Amount not paid pursuant to priority first of this Section 4.02(a)(ii), until the Certificate Principal Balances thereof have been reduced to zero;

(II) the Group 2 Senior Principal Distribution Amount remaining after priority first of this Section 4.02(a)(ii), pro rata, as follows:

(A) to the Class A-1 Certificates, until the Certificate Principal Balance thereof has been reduced to zero, up to an amount equal to the Group 1 Senior Principal Distribution Amount not paid pursuant to priority first of this Section 4.02(a)(ii);

(B) (1) with respect to any Distribution Date prior to the Subordination Depletion Date, sequentially, up to an amount equal to the Group 3 Senior Principal Distribution Amount not paid pursuant to priority first of this Section 4.02(a)(ii), as follows:

(a) sequentially, to the Class A-3A and Class A-3B Certificates, in that order, until the Certificate Principal Balances thereof have been reduced to zero;

(b) concurrently, to the Class A-3C1 and Class A-3C2 Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, until the Certificate Principal Balances thereof have been reduced to zero; and

(c) to the Class A-3D Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(2) with respect to any Distribution Date on or after the Subordination Depletion Date, concurrently, to the Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata based on the Certificate Principal Balance of each such Class prior to distributions on such Distribution Date, up to an amount equal to the Group 3 Senior Principal Distribution Amount not paid pursuant to priority first of this Section 4.02(a)(ii), until the Certificate Principal Balances thereof have been reduced to zero;

(III) the Group 3 Senior Principal Distribution Amount remaining after priority first of this Section 4.02(a)(ii), pro rata, as follows:

(A) to the Class A-1 Certificates, until the Certificate Principal Balance thereof has been reduced to zero, up to an amount equal to the Group 1 Senior Principal Distribution Amount not paid pursuant to priority first of this Section 4.02(a)(ii) above; and

(B) to the Class A-2 Certificates, until the Certificate Principal Balance thereof has been reduced to zero, up to an amount equal to the Group 2 Senior Principal Distribution Amount not paid pursuant to priority first of this Section 4.02(a)(ii);

third, to the Class M-1 Certificates, up to the Class M-1 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

fourth, to the Class M-2 Certificates, up to the Class M-2 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

fifth, to the Class M-3 Certificates, up to the Class M-3 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

sixth, to the Class M-4 Certificates, up to the Class M-4 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

seventh, to the Class M-5 Certificates, up to the Class M-5 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

eighth, to the Class M-6 Certificates, up to the Class M-6 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

ninth, to the Class M-7 Certificates, up to the Class M-7 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

tenth, to the Class M-8 Certificates, up to the Class M-8 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

eleventh, to the Class M-9 Certificates, up to the Class M-9 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

twelfth, to the Class B Certificates, up to the Class B Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero; and

thirteenth, any remaining Principal Distribution Amount will be distributed as part of the Monthly Excess Cashflow Amount as set forth in Section 4.02(b).

(b) On each Distribution Date, any Monthly Excess Cashflow Amount shall be distributed, to the extent available, in the following order of priority (the "Monthly Excess Cashflow Allocation") on such Distribution Date:

(i) to the Senior Certificates, pro rata, any remaining Accrued Certificate Interest for such Classes for that Distribution Date;

(ii) to the Senior Certificates, pro rata, any Interest Carry Forward Amounts for such Classes for that Distribution Date;

(iii) to the Class M-1 Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;

(iv) to the Class M-1 Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;

(v) to the Class M-1 Certificates, any Class M-1 Realized Loss Amortization Amount for that Distribution Date;

(vi) to the Class M-2 Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;

(vii) to the Class M-2 Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;

(viii) to the Class M-2 Certificates, any Class M-2 Realized Loss Amortization Amount for that Distribution Date;

(ix) to the Class M-3 Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;

(x) to the Class M-3 Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;

(xi) to the Class M-3 Certificates, any Class M-3 Realized Loss Amortization Amount for that Distribution Date;

(xii) to the Class M-4 Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;

(xiii) to the Class M-4 Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;

(xiv) to the Class M-4 Certificates, any Class M-4 Realized Loss Amortization Amount for that Distribution Date;

- (xv) to the Class M-5 Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;
- (xvi) to the Class M-5 Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;
- (xvii) to the Class M-5 Certificates, any Class M-5 Realized Loss Amortization Amount for that Distribution Date;
- (xviii) to the Class M-6 Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;
- (xix) to the Class M-6 Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;
- (xx) to the Class M-6 Certificates, any Class M-6 Realized Loss Amortization Amount for that Distribution Date;
- (xxi) to the Class M-7 Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;
- (xxii) to the Class M-7 Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;
- (xxiii) to the Class M-7 Certificates, any Class M-7 Realized Loss Amortization Amount for that Distribution Date;
- (xxiv) to the Class M-8 Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;
- (xxv) to the Class M-8 Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;
- (xxvi) to the Class M-8 Certificates, any Class M-8 Realized Loss Amortization Amount for that Distribution Date;
- (xxvii) to the Class M-9 Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;
- (xxviii) to the Class M-9 Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;
- (xxix) to the Class M-9 Certificates, any Class M-9 Realized Loss Amortization Amount for that Distribution Date;
- (xxx) to the Class B Certificates, any remaining Accrued Certificate Interest thereon for that Distribution Date;
- (xxxi) to the Class B Certificates, any Interest Carry Forward Amount thereon for that Distribution Date;
- (xxxii) to the Class B Certificates, any Class B Realized Loss Amortization Amount for that Distribution Date;
- (xxxiii) to the Cap Carryover Reserve Account, an amount equal to the aggregate of the Cap Carryover Amounts for such Distribution Date;
- (xxxiv) to the Swap Provider, any Swap Termination Payments resulting from a Swap Provider Trigger Event; and
- (xxxv) to pay to the Class CE Certificates, up to the Class CE Distributable Amount for such Distribution Date.

On each Distribution Date, there shall be distributed to concurrently, to the Holder of the Residual Certificates in respect of the Class R-1 Interest, any remaining amount in the Distribution Account on such date after the application pursuant to Sections 4.01, 4.02(a) and 4.02(b)(i)-(xxxv).

(c) On each Distribution Date, after making the distributions of the Interest Remittance Amount, Principal Distribution Amount and Monthly Excess Cashflow as set forth above, the Trustee shall distribute the amount on deposit in the Swap Account as follows:

first, to the Swap Provider, any Net Swap Payment owed to the Swap Provider pursuant to the Interest Rate Swap Agreement for such Distribution Date;

second, to the Swap Provider, any Swap Termination Payment (other than a Swap Termination Payment resulting from a Swap Provider Trigger Event) owed to the Swap Provider pursuant to the Interest Rate Swap Agreement for such Distribution Date;

third, concurrently, to each Class of Class A Certificates, the related Accrued Certificate Interest and Interest Carry Forward Amount remaining undistributed after the distributions made pursuant to Sections 4.01 and 4.02(b), on a pro rata basis based on such respective remaining Accrued Certificate Interest and Interest Carry Forward Amount;

fourth, sequentially, to 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, Class M-9 and Class B

Certificates, in that order, the related Accrued Certificate Interest and Interest Carry Forward Amounts, to the extent remaining undistributed after the distributions made pursuant to Section 4.01 and 4.02(b);

fifth, to the holders of the Class or Classes of Certificates then entitled to receive distributions in respect of principal pursuant to the priorities set forth in Section 4.02(a) for such Distribution Date, in an amount necessary to restore the Overcollateralization Amount to the Targeted Overcollateralization Amount as a result of current or prior Realized Losses for such Distribution Date after taking into account distributions made pursuant to Section 4.02(b);

sixth, to the Offered Certificates and Class B Certificates, to pay Cap Carryover Amounts in the following order of priority, to the extent remaining undistributed after distributions are made from the Cap Carryover Reserve Account:

(i) concurrently, to the Class A Certificates, pro rata (based on the remaining Cap Carryover Amount of each such Class) any remaining Cap Carryover Amount for such Class; and

(ii) sequentially, to 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, Class M-9 and Class B Certificates, in that order, any remaining Cap Carryover Amount for each such Class;

seventh, sequentially, to 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, Class M-9 and Class B Certificates, in that order, to the extent of any remaining Realized Loss Amortization Amount for each such Class; and

eighth, to the Class CE Certificates, any remaining amounts.

(d) On each Distribution Date, the Trustee shall withdraw any amounts then on deposit in the Distribution Account that represent Prepayment Charges collected by the Servicer in connection with the Principal Prepayment in full of any of the Mortgage Loans, any Originator Prepayment Charge Payment Amount or Servicer Prepayment Charge Payment Amount and shall distribute such amounts to the Holders of the Class P Certificates. Such amounts shall be treated as having been distributed to the Holders of the Class P Certificates from the Grantor Trust.

(e) Any amounts distributed to the Offered Certificates and the Class B Certificates in respect of interest pursuant to Sections 4.02(c) above which constitute Cap Carryover Amounts shall first be deemed distributed by REMIC 4 as a distribution to the Class CE Interest and then a distribution by REMIC 5 to the Class CE Certificates, and then distributed to the Offered Certificates and the Class B Certificates from the Grantor Trust as payments on notional principal contracts in the nature of cap contracts. Any remaining amount with respect to the Class CE Certificates shall be treated as having been distributed to the Holders of the Class CE Certificates from the Grantor Trust. With respect to the Offered Certificates and the Class B Certificates, any excess of the REMIC 4 Pass-Through Rate over the related Pass-Through Rate, subject to the applicable Caps, shall be treated as received by those Classes and then distributed to the Class CE Certificates and, to the extent applicable, paid to the Swap Provider as a Net Swap Payment or Swap Termination Payment as provided in Section 4.09(d).

(f) On each Distribution Date, Unpaid Realized Loss Amounts on the Offered Certificates and the Class B Certificates will be reduced by the amount of any Subsequent Recoveries received during the related Prepayment Period in the same order as Realized Loss Amortization Amounts are paid to the Offered Certificates and the Class B Certificates pursuant to Section 4.02(b) above.

#### Section 4.03 Allocation of Losses.

Any Subordinated Applied Realized Loss Amount for a Distribution Date will be allocated against the Class B, Class M-9, Class M-8, Class M-7, Class M-6, Class M-5, Class M-4, Class M-3, Class M-2 and Class M-1 Certificates, until their respective Certificate Principal Balances have been reduced to zero.

#### Section 4.04 Method of Distribution.

The Trustee shall make distributions in respect of a Distribution Date to each Certificateholder of record on the related Record Date (other than as provided in Section 10.01 respecting the final distribution), in the case of Certificateholders of the Certificates, by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Trustee in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of such Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Trustee may deduct a reasonable wire transfer fee from any payment made by wire transfer. Distributions among Certificateholders shall be made in proportion to the Percentage Interests evidenced by the Certificates held by such Certificateholders.

#### Section 4.05 Distributions on Book-Entry Certificates.

Each distribution with respect to a Book-Entry Certificate shall be paid to the Depository, which shall credit the amount of such distribution to the accounts of its Depository Participants in accordance with its normal procedures. Each Depository Participant shall be responsible for disbursing such distribution to the Certificate Owners that it represents and to each indirect participating brokerage firm (a "brokerage firm" or "indirect participating firm") for which it acts as agent. Each brokerage firm shall be responsible for disbursing funds to the Certificate Owners

that it represents. All such credits and disbursements with respect to a Book-Entry Certificate are to be made by the Depository and the Depository Participants in accordance with the provisions of the Certificates. None of the Trustee, the Depositor or the Servicer shall have any responsibility therefor except as otherwise provided by applicable law.

#### Section 4.06 Statements.

(a) On each Distribution Date, based on the Mortgage Loan information contained in the Remittance Report, the Trustee shall prepare and post on its website at [www.ctslink.com](http://www.ctslink.com), a statement (the "Distribution Date Statement") as to the distributions made on such Distribution Date:

(i) the amount of the distribution made on such Distribution Date to the Holders of each Class of Certificates allocable to principal, separately identified and the amount of the distribution made on such Distribution Date to the Holders of the Class P Certificates allocable to Prepayment Charges, Originator Prepayment Charge Payment Amounts and Servicer Prepayment Charge Payment Amounts;

(ii) the amount of the distribution made on such Distribution Date to the Holders of each Class of Certificates allocable to interest or Class CE Distributable Amount, separately identified;

(iii) the Overcollateralization Amount, the Overcollateralization Release Amount, the Overcollateralization Deficiency and the Targeted Overcollateralization Amount as of such Distribution Date and the Monthly Excess Interest Amount and Monthly Excess Cashflow Amount for such Distribution Date;

(iv) the aggregate amount of servicing compensation received by the Servicer during the related Collection Period and the amount of Compensating Interest paid by the Servicer;

(v) the aggregate amount of Advances for the related Collection Period, cumulative unreimbursed Advances and Servicing Advances and cumulative Nonrecoverable Advances;

(vi) the Pool Balance, at the close of business at the end of the related Collection Period;

(vii) the number, weighted average remaining term to maturity, the weighted average Mortgage Interest Rate of the Mortgage Loans as of the related Due Date and number and aggregate Principal Balance of all Additional Group 3 Mortgage Loans added during the preceding Prepayment Period;

(viii) the number and aggregate unpaid principal balance of Mortgage Loans (a) 30 to 59 days past due on a contractual basis, (b) 60 to 89 days past due on a contractual basis, (c) 90 or more days past due on a contractual basis, (d) as to which foreclosure proceedings have been commenced and (e) in bankruptcy as of the close of business on the last day of the calendar month preceding such Distribution Date;

(ix) with respect to any Mortgage Loan that became an REO Property during the preceding calendar month, the loan number of such Mortgage Loan, the unpaid Principal Balance of the REO Property as of the close of business on the last Business Day of such calendar month and the Principal Balance of such Mortgage Loan as of the date it became an REO Property;

(x) the book value of any REO Property as of the close of business on the last Business Day of the calendar month preceding the Distribution Date, and, cumulatively, the total number and cumulative principal balance of all REO Properties as of the close of business of the last day of the preceding Collection Period;

(xi) separately stated for each Loan Group, the aggregate amount of Principal Prepayments made during the related Prepayment Period;

(xii) separately stated for each Loan Group, the aggregate amount of Realized Losses incurred during the related Collection Period and the cumulative amount of Realized Losses;

(xiii) the Certificate Principal Balance of each Class of Certificates, after giving effect to the distributions, and allocations of Subordinated Applied Realized Loss Amounts, made on such Distribution Date, separately identifying any reduction thereof due to allocations of Subordinated Applied Realized Loss Amounts;

(xiv) the Accrued Certificate Interest in respect of each Class of Certificates for such Distribution Date and any related Cap Carryover Amounts, and the respective portions thereof, if any, remaining unpaid following the distributions made in respect of such Certificates on such Distribution Date;

(xv) the aggregate amount of any Prepayment Interest Shortfalls for such Distribution Date, to the extent not covered by payments by the Servicer pursuant to Section 3.23;

(xvi) the Cap Carryover Amounts distributed on such Distribution Date, the amounts remaining after giving effect to distributions thereof on such Distribution Date and the amount of all Cap Carryover Amounts covered by withdrawals from the Swap Account or the Cap Carryover Reserve Account on such Distribution Date;



(xvii) for the distribution occurring on the Distribution Date immediately following the end of the Funding Period, the balance on deposit in the Group 3 Pre-Funding Account that has not been used to purchase Additional Group 3 Mortgage Loans and that is being distributed to the related Class A Certificates as a mandatory distribution of principal, if any, on such Distribution Date;

(xviii) any Overcollateralization Deficiency after giving effect to the distribution of principal on such Distribution Date;

(xix) whether a Trigger Event has occurred and is continuing, and the cumulative Realized Losses, as a percentage of the original Pool Balance;

(xx) the Available Funds;

(xxi) the rate at which interest accrues for each Class of Certificates for such Distribution Date;

(xxii) the information contained in the Liquidation Report for such Distribution Date;

(xxiii) the aggregate Principal Balance of Mortgage Loans purchased by the Servicer, an Originator or the Seller during the related Prepayment Period and indicating the section of this Agreement or the applicable Originator Mortgage Loan Purchase Agreement, as applicable, requiring or allowing the purchase of each such Mortgage Loan;

(xxiv) the amount of the Credit Risk Manager Fee paid;

(xxv) the Mortgage Loan identifying number of each Mortgage Loan with a Prepayment Charge that was the subject of a Principal Prepayment in full during the related Collection Period, the Prepayment Charge listed on each related Mortgage Note and the Prepayment Charge collected, the Servicer Prepayment Charge Payment Amount paid by the Servicer or the Originator Prepayment Charge Payment Amount paid by the related Originator with respect to each such Mortgage Loan;

(xxvi) the amount of Subsequent Recoveries received during the related Prepayment Period;

(xxvii) only for so long as the Trust is subject to the Exchange Act reporting requirements, the Interest Rate Swap Agreement's "significance percentage" of the Pool Balance;

(xxviii) the amount and recipient of any Net Swap Payments and Swap Termination Payments;

(xxix) the date of such Distribution Date and the Determination Date for such Distribution Date;

(xxx) any expenses or indemnification amounts paid by the Trust Fund, the specific purpose of each payment and the parties to whom these payments are made;

(xxxi) for each Class, the applicable Record Date and Interest Accrual Period; and

(xxxii) unless such information is otherwise set forth in Form 10-D relating to such Distribution Date, any material breaches of representations and warranties relating to the Mortgage Loans or material breaches of transaction covenants or representations and warranties.

The Trustee may fully rely upon and shall have no liability with respect to information with respect to the Mortgage Loans provided by the Servicer.

In determining whether a breach of a representation or warranty relating to the Mortgage Loans is material or whether a breach of a transaction covenant or representation or warranty is material for purposes of subclause

(xxxii) above, the Trustee may consult with the Depositor and rely on the Depositor's determination of materiality.

In the case of information furnished pursuant to subclauses (i),

(ii) and (xiii) above, the amounts shall be expressed in a separate section of the report as a dollar amount for each Class for each \$1,000 original dollar amount as of the Cut-off Date.

The Trustee will also make available copies of the periodic reports the Trustee prepares and files with the Commission, including distribution reports on Form 10-D, annual reports on Form 10-K, current reports on Form 8-K and amendments to these reports available through [www.ctslink.com](http://www.ctslink.com) promptly (but no later than one Business Day) after the Trustee has filed such reports with the Commission.

(b) Within a reasonable period of time after the end of each calendar year, the Trustee shall furnish to the NIMS Insurer and each Person who at any time during the calendar year was a Certificateholder of a Regular Certificate, if requested in writing by such Person, such information as is reasonably necessary to provide to such Person a statement containing the information set forth in subclauses (i), (ii), (xiv) and (xvi) above, aggregated for such calendar year or applicable portion thereof during which such Person was a Certificateholder. Such obligation of the Trustee shall be deemed to have been satisfied to the extent that substantially comparable information shall be prepared and furnished by the

Trustee to Certificateholders pursuant to any requirements of the Code as are in force from time to time.

(c) On each Distribution Date, the Trustee shall forward to each Residual Certificateholder a copy of the reports forwarded to the Regular Certificateholders in respect of such Distribution Date with such other information as the Trustee deems necessary or appropriate. Such obligation of the Trustee shall be deemed to have been satisfied to the extent that substantially comparable information shall be prepared and furnished to each Residual Certificateholder by the Trustee pursuant to any requirements of the Code as from time to time in force.

(d) For all purposes of this Agreement including, but not limited to, providing the information set forth in clause (viii) of Section 4.06(a), with respect to any Mortgage Loan, delinquencies shall be determined and reported based on the so-called "OTS" methodology for determining delinquencies on mortgage loans similar to the Mortgage Loans. By way of example, a Mortgage Loan would be one payment delinquent with respect to a Monthly Payment due on a Due Date if such Monthly Payment is not made by the close of business on the Mortgage Loan's next succeeding Due Date, and a Mortgage Loan would be two payments delinquent with respect to such Monthly Payment if such Monthly Payment were not made by the close of business on the Mortgage Loan's second succeeding Due Date. The Servicer hereby represents and warrants to the Depositor that this delinquency recognition policy is its current policy and is not less restrictive than any delinquency recognition policy established by the primary safety and soundness regulator, if any, of the Servicer.

#### Section 4.07 Remittance Reports; Advances.

(a) On the third Business Day following each Determination Date but in no event later than the 20th day of each month (or if such 20th day is not a Business Day, the preceding Business Day), the Servicer shall deliver to the Trustee and the NIMS Insurer by telecopy (or by such other means as the Servicer, the NIMS Insurer and the Trustee may agree from time to time) a Remittance Report with respect to the related Distribution Date. On the same date, the Servicer shall electronically forward to the Trustee in such medium as may be agreed between the Servicer and the Trustee the information set forth in such Remittance Report with respect to the related Distribution Date and such information reasonably available to the Servicer necessary in order for the Trustee to perform the calculations necessary to make the distributions and allocations contemplated by Section 4.01, 4.02, 4.03 and 4.11 and to prepare the Distribution Date Statement. The Trustee shall not be responsible to recompute, recalculate or verify any information provided to it by the Servicer.

(b) The amount of Advances to be made by the Servicer for any Distribution Date shall equal, subject to Section 4.07(d), the sum of (i) the aggregate amount of Monthly Payments (net of the related Servicing Fee), due during the related Collection Period in respect of the Mortgage Loans, which Monthly Payments were delinquent on a contractual basis as of the close of business on the related Determination Date, and (ii) with respect to each REO Property, which REO Property was acquired during or prior to the related Collection Period and as to which REO Property an REO Disposition did not occur during the related Collection Period, an amount equal to the excess, if any, of the REO Imputed Interest on such REO Property for such Collection Period, over the net income from such REO Property transferred to the Distribution Account pursuant to Section 3.13 for distribution on such Distribution Date. For purposes of the preceding sentence, the Monthly Payment on each Balloon Loan with a delinquent Balloon Payment is equal to the assumed monthly payment that would have been due on the related Due Date based on the original principal amortization schedule for such Balloon Loan.

On or before 1:00 p.m. New York time on the Servicer Remittance Date, the Servicer shall remit in immediately available funds to the Trustee for deposit in the Distribution Account an amount equal to the aggregate amount of Advances, if any, to be made in respect of the Mortgage Loans for the related Distribution Date either (i) from its own funds, (ii) from the Collection Account, to the extent of funds held therein for future distribution (in which case it will cause to be made an appropriate entry in the records of the Collection Account that amounts held for future distribution have been, as permitted by this Section 4.07, used by the Servicer in discharge of any such Advance) or (iii) in the form of any combination of (i) and (ii) aggregating the total amount of Advances to be made by the Servicer with respect to the Mortgage Loans. Any amounts held for future distribution and so used shall be appropriately reflected in the Servicer's records and replaced by the Servicer by deposit in the Collection Account on or before any future Servicer Remittance Date to the extent that the Available Funds for the related Distribution Date (determined without regard to Advances to be made on the Servicer Remittance Date) shall be less than the total amount that would be distributed to the Classes of Certificateholders pursuant to Section 4.01 and 4.02 on such Distribution Date if such amounts held for future distributions had not been so used to make Advances. The Trustee will provide notice to the Servicer and NIMS Insurer by telecopy by the close of business on any Servicer Remittance Date in the event that the amount remitted by the Servicer to the Trustee on such date is less than the Advances required to be made by the Servicer for the related Distribution Date, as set forth in the related Remittance Report.

(c) The obligation of the Servicer to make such Advances is mandatory, notwithstanding any other provision of this Agreement but subject to (d) below, and, with respect to any Mortgage Loan, shall continue until the earlier of such time as the Trust acquires title to the related Mortgaged Property or such Mortgage Loan is paid in full by the Mortgagor or disposed of by the Trust, or until the recovery of all Liquidation Proceeds thereon.

(d) Notwithstanding anything herein to the contrary, no Advance or Servicing Advance shall be required to be made hereunder by the Servicer if such Advance would, if made, constitute a Nonrecoverable Advance. The determination by the Servicer that it has made a Nonrecoverable Advance or that any proposed Advance, if made, would constitute a Nonrecoverable Advance, shall be evidenced by an Officers' Certificate of the Servicer delivered to the Depositor, the NIMS Insurer and the Trustee. The Trustee shall be entitled to conclusively rely upon any such determination by the Servicer.

#### Section 4.08 REMIC Distributions.

(a) On each Distribution Date, the Trustee shall cause in the following order of priority, the following amounts to be distributed by REMIC 1 to

REMIC 2 on account of the REMIC 1 Regular Interests or withdrawn from the Distribution Account and distributed to the Holder of the Class R Certificate (in respect of the Class R-1 Interest), as the case may be:

- (i) With respect to the Group 1 Mortgage Loans, all distributions of principal and interest thereon to the Class I-1 Interest;
- (ii) With respect to the Group 2 Mortgage Loans, all distributions of principal and interest thereon to the Class I-2 Interest; and
- (iii) With respect to the Group 3 Mortgage Loans, all distributions of principal and interest thereon to the Class I-3 Interest.

(b) (1) On each Distribution Date, the Trustee shall cause in the following order of priority, the following amounts to be distributed by REMIC 2 to REMIC 3 on account of the REMIC 2 Group 1 Regular Interests or withdrawn from the Distribution Account and distributed to the Holder of the Class R Certificate (in respect of the Class R-2 Interest), as the case may be:

(i) to each of REMIC 2 Regular Interest I-1-A through I-60-B, pro rata, in an amount equal to (A) Uncertificated Accrued Interest for such REMIC 2 Regular Interests for such Distribution Date, plus (B) any amounts payable in respect thereof remaining unpaid from previous Distribution Dates; and

(ii) to the extent of amounts remaining after the distributions made pursuant to clause (i) above, payments of principal shall be allocated to REMIC 2 Regular Interests I-1-A through I-60-B starting with the lowest numerical denomination until the Uncertificated Balance of each such REMIC 2 Regular Interest is reduced to zero, provided that, for REMIC 2 Regular Interests with the same numerical denomination, such payments of principal shall be allocated pro rata between such REMIC 2 Regular Interests.

(2) On each Distribution Date, the Trustee shall cause in the following order of priority, the following amounts to be distributed by REMIC 2 to REMIC 3 on account of the REMIC 2 Group 2 Regular Interests or withdrawn from the Distribution Account and distributed to the Holders of the Class R Certificate (in respect of the Class R-2 Interest), as the case may be:

(i) to each of REMIC 2 Regular Interest II-1-A through II-60-B, pro rata, in an amount equal to (A) Uncertificated Accrued Interest for such REMIC 2 Regular Interests for such Distribution Date, plus (B) any amounts payable in respect thereof remaining unpaid from previous Distribution Dates; and

(ii) to the extent of amounts remaining after the distributions made pursuant to clause (i) above, payments of principal shall be allocated to REMIC 2 Regular Interests II-1-A through II-60-B starting with the lowest numerical denomination until the Uncertificated Balance of each such REMIC 2 Regular Interest is reduced to zero, provided that, for REMIC 2 Regular Interests with the same numerical denomination, such payments of principal shall be allocated pro rata between such REMIC 2 Regular Interests.

(3) On each Distribution Date, the Trustee shall cause in the following order of priority, the following amounts to be distributed by REMIC 2 to REMIC 3 on account of the REMIC 2 Group 3 Regular Interests or withdrawn from the Distribution Account and distributed to the Holders of the Class R Certificate (in respect of the Class R-2 Interest), as the case may be:

(i) to each of REMIC 2 Regular Interest III-1-A through III-60-B, pro rata, in an amount equal to (A) Uncertificated Accrued Interest for such REMIC 2 Regular Interests for such Distribution Date, plus (B) any amounts payable in respect thereof remaining unpaid from previous Distribution Dates; and

(ii) to the extent of amounts remaining after the distributions made pursuant to clause (i) above, payments of principal shall be allocated to REMIC 2 Regular Interests III-1-A through III-60-B starting with the lowest numerical denomination until the Uncertificated Balance of each such REMIC 2 Regular Interest is reduced to zero, provided that, for REMIC 2 Regular Interests with the same numerical denomination, such payments of principal shall be allocated pro rata between such REMIC 2 Regular Interests.

(c) On each Distribution Date, the Trustee shall cause in the following order of priority, the following amounts to be distributed by REMIC 3 to REMIC 4 on account of the REMIC 3 Regular Interests or withdrawn from the Distribution Account and distributed to the Holder of the Class R Certificate (in respect of the Class R-3 Interest), as the case may be:

(i) to REMIC 3 Regular Interest LTIO, in an amount equal to (A) Uncertificated Accrued Interest for such REMIC 3 Regular Interest for such Distribution Date, plus (B) any amounts in respect thereof remaining unpaid from previous Distribution Dates; to REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9, REMIC 3 Regular Interest LT1B and REMIC 3 Regular Interest LT1ZZ, pro rata, in an amount equal to (A) the Uncertificated Accrued Interest for such Distribution Date, plus (B) any amounts in respect thereof remaining unpaid from previous Distribution Dates. Amounts payable as Uncertificated Accrued Interest in respect of REMIC 3 Regular Interest LT1ZZ shall be reduced and deferred when the REMIC 3 Overcollateralized Amount is less than the REMIC 3 Overcollateralization Target Amount, by the lesser of (x) the amount of such difference and (y) the Maximum LT1ZZ Uncertificated Accrued Interest Deferral Amount and such amount will be payable to REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest

LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9 and REMIC 3 Regular Interest LT1B, in the same proportion as the Overcollateralization Deficiency is allocated to the Corresponding Certificates, and REMIC 3 Regular Interest LT1ZZ shall be increased by such amount;

(ii) to REMIC 3 Regular Interest LT1SUB, REMIC 3 Regular Interest LT1GRP, REMIC 3 Regular Interest LT2SUB, REMIC 3 Regular Interest LT2GRP, REMIC 3 Regular Interest LT3SUB, REMIC 3 Regular Interest LT3GRP and REMIC 3 Regular Interest LT1XX, pro rata, in an amount equal to (A) the Uncertificated Accrued Interest for such Distribution Date, plus (B) any amounts in respect thereof remaining unpaid from previous Distribution Dates;

(iii) to REMIC 3 Regular Interests, as a distribution of principal, in an amount equal to the remainder of the REMIC 3 Marker Allocation Percentage of Available Funds for such Distribution Date after the distributions made pursuant to clause (i) above, allocated as follows:

(1) to REMIC 3 Regular Interest LT1AA, 98.00% of such remainder, until the Uncertificated Balance of such Uncertificated REMIC 3 Regular Interest is reduced to zero;

(2) to REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9, and REMIC 3 Regular Interest LT1B, 1.00% of such remainder, in the same proportion as principal payments are allocated to the Corresponding Certificates, until the Uncertificated Balances of such REMIC 3 Regular Interests are reduced to zero; then

(3) to REMIC 3 Regular Interest LT1ZZ, 1.00% of such remainder, until the Uncertificated Balance of such REMIC 3 Regular Interest is reduced to zero;

provided, however, that (i) 98.00% and (ii) 2.00% of any principal payments that are attributable to the Overcollateralization Release Amount shall be allocated to (i) REMIC 3 Regular Interest LT1AA and (ii) REMIC 3 Regular Interest LT1ZZ, respectively; and

(iv) to the Holders of REMIC 3 Regular Interests, in an amount equal to the REMIC 3 Sub WAC Allocation Percentage of Available Funds for such Distribution Date after the distributions made pursuant to clause (i) above, such that distributions of principal shall be deemed to be made to the REMIC 3 Regular Interests first, so as to keep the Uncertificated Balance of each REMIC 3 Regular Interest ending with the designation "GRP" equal to 0.01% of the aggregate Principal Balance of the Mortgage Loans in the related group of Mortgage Loans; second, to each REMIC 3 Regular Interest ending with the designation "SUB," so that the Uncertificated Balance of each such REMIC 3 Regular Interest is equal to 0.01% of the excess of (x) the aggregate Principal Balance of the Mortgage Loans in the related group of Mortgage Loans over (y) the aggregate current Certificate Principal Balance of the Class A Certificates in the related group of Mortgage Loans (except that if any such excess is a larger number than in the preceding distribution period, the least amount of principal shall be distributed to such REMIC 3 Regular Interests such that the REMIC 3 Subordinated Balance Ratio is maintained); and third, any remaining principal to REMIC 3 Regular Interest LT1XX.

(d) On each Distribution Date, the Trustee shall cause all distributions on the regular interests in REMIC 4, represented by the Certificates (other than the Class CE, Class P and Residual Certificates) to be distributed in amounts corresponding to the distributions on such Certificates, provided that interest shall be computed at the REMIC 4 Pass-Through Rate.

(e) On each Distribution Date, the Trustee shall cause all distributions on the Class CE Interest to be distributed by REMIC 4 to REMIC 5 for distributions in respect of the Class CE Certificates or as otherwise distributable as set forth in Section 4.02(c) and (e). Any amount remaining in the Distribution Account with respect to REMIC 5 on any Distribution Date shall be distributed to the Holder of the Class R-X Certificate.

(f) The Trustee shall cause the following allocation of losses:

(i) The aggregate amount of any Prepayment Interest Shortfalls and the aggregate amount of any Relief Act Interest Shortfalls incurred in respect of the Mortgage Loans for any Distribution Date shall be allocated first, (a) with respect to the Group 1 Mortgage Loans, to REMIC 1 Regular Interest I-1, to the extent of one month's interest at the then applicable respective Uncertificated REMIC 1 Pass-Through Rate on the respective Uncertificated Balance of such REMIC 1 Regular Interest, (b) with respect to the Group 2 Mortgage Loans, to REMIC 1 Regular Interest I-2, to the extent of one month's interest at the then applicable respective Uncertificated REMIC 1 Pass-Through Rate on the respective Uncertificated Balance of such REMIC 1 Regular Interest and

(c) with respect to the Group 3 Mortgage Loans, to REMIC 1 Regular Interest I-3, to the extent of one month's interest at the then applicable respective Uncertificated REMIC 1 Pass-Through Rate on the respective Uncertificated Balance of such REMIC 1 Regular Interest.

(ii) The aggregate amount of any Prepayment Interest Shortfalls and the aggregate amount of any Relief Act Interest Shortfalls incurred in respect of the Loan Group 1 for any Distribution Date shall be allocated first, to the REMIC 2 Group I Regular Interests ending with the designation "B," pro rata, based on, and to the extent of, one month's interest at the then applicable respective Uncertificated REMIC 2 Pass-Through Rates on the respective Uncertificated Balances of each such REMIC 2 Regular Interest, and then, to REMIC 2 Group I Regular

Interests ending with the designation "A," pro rata based on, and to the extent of, one month's interest at the then applicable respective Uncertificated REMIC 2 Pass-Through Rates on the respective Uncertificated Balances of each such REMIC 2 Regular Interest. The aggregate amount of any Prepayment Interest Shortfalls and the aggregate amount of any Relief Act Interest Shortfalls incurred in respect of the Loan Group 2 for any Distribution Date shall be allocated first, to the REMIC 2 Group II Regular Interests ending with the designation "B," pro rata, based on, and to the extent of, one month's interest at the then applicable respective Uncertificated REMIC 2 Pass-Through Rates on the respective Uncertificated Balances of each such REMIC 2 Regular Interest, and then, to REMIC 2 Group II Regular Interests ending with the designation "A," pro rata, based on, and to the extent of, one month's interest at the then applicable respective Uncertificated REMIC 2 Pass-Through Rates on the respective Uncertificated Balances of each such REMIC 2 Regular Interest. The aggregate amount of any Prepayment Interest Shortfalls and the aggregate amount of any Relief Act Interest Shortfalls incurred in respect of the Loan Group 3 for any Distribution Date shall be allocated first, to the REMIC 2 Group III Regular Interests ending with the designation "B," pro rata, based on, and to the extent of, one month's interest at the then applicable respective Uncertificated REMIC 2 Pass-Through Rates on the respective Uncertificated Balances of each such REMIC 2 Regular Interest, and then, to REMIC 2 Group III Regular Interests ending with the designation "A," pro rata, based on, and to the extent of, one month's interest at the then applicable respective Uncertificated REMIC 2 Pass-Through Rates on the respective Uncertificated Balances of each such REMIC 2 Regular Interest.

(iii) The REMIC 3 Marker Allocation Percentage of the aggregate amount of any Prepayment Interest Shortfalls and the REMIC 3 Marker Allocation Percentage of the aggregate amount of any Relief Act Interest Shortfalls incurred in respect of the Mortgage Loans for any Distribution Date shall be allocated among REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1A1, REMIC 3 Regular Interest LT1A2, REMIC 3 Regular Interest LT1A3A, REMIC 3 Regular Interest LT1A3B, REMIC 3 Regular Interest LT1A3C1, REMIC 3 Regular Interest LT1A3C2, REMIC 3 Regular Interest LT1A3D, REMIC 3 Regular Interest LT1M1, REMIC 3 Regular Interest LT1M2, REMIC 3 Regular Interest LT1M3, REMIC 3 Regular Interest LT1M4, REMIC 3 Regular Interest LT1M5, REMIC 3 Regular Interest LT1M6, REMIC 3 Regular Interest LT1M7, REMIC 3 Regular Interest LT1M8, REMIC 3 Regular Interest LT1M9, REMIC 3 Regular Interest LT1B and REMIC 3 Regular Interest LT1ZZ, pro rata, based on, and to the extent of, one month's interest at the then applicable respective Uncertificated REMIC 3 Pass-Through Rate on the respective Uncertificated Balance of each such REMIC 3 Regular Interest;

(iv) The REMIC 3 Sub WAC Allocation Percentage of the aggregate amount of any Prepayment Interest Shortfalls and the REMIC 3 Sub WAC Allocation Percentage of the aggregate amount of any Relief Act Interest Shortfalls incurred in respect of the Mortgage Loans for any Distribution Date shall be allocated first, to Uncertificated Accrued Interest payable to REMIC 3 Regular Interest LT1SUB, REMIC 3 Regular Interest LT1GRP, REMIC 3 Regular Interest LT2SUB, REMIC 3 Regular Interest LT2GRP, REMIC 3 Regular Interest LT3SUB, REMIC 3 Regular Interest LT3GRP and REMIC 3 Regular Interest LT1XX, pro rata, based on, and to the extent of, one month's interest at the then applicable respective Uncertificated REMIC 3 Pass-Through Rate on the respective Uncertificated Balance of each such REMIC 3 Regular Interest;

(v) Any remaining Prepayment Interest Shortfalls and Relief Act Shortfalls in REMIC 3 for any Distribution Date shall be allocated to the REMIC 3 Regular Interest LTIO.

(vi) The aggregate amount of any Prepayment Interest Shortfalls and the aggregate amount of any Relief Act Interest Shortfalls allocated to the Class CE Interest in REMIC 4 shall be allocated to REMIC 5 in respect of the Class CE Certificates;

(vii) With respect to the REMIC 1 Regular Interests, (A) all Realized Losses on the Group 1 Mortgage Loans shall be allocated shall be allocated by the Trustee on each Distribution Date to REMIC 1 Regular Interest I-1, until the Uncertificated Balance of such REMIC 1 Regular Interest has been reduced to zero; (B) all Realized Losses on the Group 2 Mortgage Loans shall be allocated by the Trustee on each Distribution Date to REMIC 1 Regular Interest I-2, until the Uncertificated Balance of such REMIC 1 Regular Interest has been reduced to zero and (C) all Realized Losses on the Group 3 Mortgage Loans shall be allocated by the Trustee on each Distribution Date to REMIC 1 Regular Interest I-3, until the Uncertificated Balance of such REMIC 1 Regular Interest has been reduced to zero.

(viii) With respect to the REMIC 2 Regular Interests, all Realized Losses on the Group 1 Mortgage Loans shall be allocated by the Trustee on each Distribution Date to REMIC 2 Regular Interest I-1-A through REMIC 2 Regular Interest I-60-B, starting with the lowest numerical denomination until such REMIC 2 Regular Interest has been reduced to zero, provided that, for REMIC 2 Regular Interests with the same numerical denomination, such Realized Losses shall be allocated, pro rata, between such REMIC 2 Regular Interests. All Realized Losses on the Group 2 Mortgage Loans shall be allocated by the Trustee on each Distribution Date to REMIC 2 Regular Interest II-1-A through REMIC 2 Regular Interest II-60-B, starting with the lowest numerical denomination until such REMIC 2 Regular Interest has been reduced to zero, provided that, for REMIC 2 Regular Interests with the same numerical denomination, such Realized Losses shall be allocated, pro rata, between such REMIC 2 Regular Interests. All Realized Losses on the Group 3 Mortgage Loans shall be allocated by the Trustee on each Distribution Date to REMIC 2 Regular Interest III-1-A through REMIC 2 Regular Interest III-60-B, starting with the lowest numerical denomination until such REMIC 2 Regular Interest has been reduced to zero, provided that, for REMIC 2 Regular Interests with the same numerical denomination, such Realized Losses shall be allocated, pro rata, between such REMIC 2 Regular Interests.

(ix) The REMIC 3 Marker Allocation Percentage of all Realized Losses on the Mortgage Loans shall be allocated by the Trustee on each Distribution Date to the following REMIC 3 Regular Interests in the specified percentages, as follows: first, to Uncertificated Accrued Interest payable to REMIC 3 Regular Interest LT1AA and REMIC 3 Regular Interest LT1ZZ up to an aggregate amount equal to the REMIC 3 Interest Loss Allocation Amount, 98% and 2%, respectively; second, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA and REMIC 3 Regular Interest LT1ZZ up to an aggregate amount equal to the REMIC 3 Principal Loss Allocation Amount, 98% and 2%, respectively; third, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1B and REMIC 3 Regular Interest LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC 3 Regular Interest LT1B has been reduced to zero, fourth, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1M9 and REMIC 3 Regular Interest

LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC 3 Regular Interest LT1M9 has been reduced to zero; fifth, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1M8 and REMIC 3 Regular Interest LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC 3 Regular Interest LT1M8 has been reduced to zero; sixth, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1M7 and REMIC 3 Regular Interest LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC 3 Regular Interest LT1M7 has been reduced to zero; seventh, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1M6 and REMIC 3 Regular Interest LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC 3 Regular Interest LT1M6 has been reduced to zero; eighth, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1M5 and REMIC 3 Regular Interest LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balances of REMIC 3 Regular Interest LT1M5 has been reduced to zero; ninth, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1M4 and REMIC 3 Regular Interest LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balances of REMIC 3 Regular Interest LT1M4 has been reduced to zero; tenth, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1M3 and REMIC 3 Regular Interest LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balances of REMIC 3 Regular Interest LT1M3 has been reduced to zero; eleventh, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1M2 and REMIC 3 Regular Interest LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balances of REMIC 3 Regular Interest LT1M2 has been reduced to zero; twelfth, to the Uncertificated Balances of REMIC 3 Regular Interest LT1AA, REMIC 3 Regular Interest LT1M1 and REMIC 3 Regular Interest LT1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balances of REMIC 3 Regular Interest LT1M1 has been reduced to zero;

(x) The REMIC 3 Sub WAC Allocation Percentage of all Realized Losses shall be applied after all distributions have been made on each Distribution Date first, so as to keep the Uncertificated Balance of each REMIC 3 Regular Interest ending with the designation "GRP" equal to 0.01% of the aggregate Principal Balance of the Mortgage Loans in the related Loan Group; second, to each REMIC 3 Regular Interest ending with the designation "SUB," so that the Uncertificated Balance of each such REMIC 3 Regular Interest is equal to 0.01% of the excess of (x) the aggregate Principal Balance of the Mortgage Loans in the related Loan Group over (y) the aggregate current Certificate Principal Balances of the Class A Certificates in the related group of Mortgage Loans (except that if any such excess is a larger number than in the preceding distribution period, the least amount of Realized Losses shall be applied to such REMIC 3 Regular Interests such that the REMIC 3 Subordinated Balance Ratio is maintained); and third, any remaining Realized Losses shall be allocated to REMIC 3 Regular Interest LT1XX; and

(xi) All Realized Losses on the Class CE Interest in respect of REMIC 4 shall be allocated shall be allocated by the Trustee on each Distribution Date to REMIC 5 and the Class CE Certificates.

(g) Notwithstanding anything to the contrary contained herein, the above distributions in this Section 4.08 (other than on the Certificates) are deemed distributions, and distributions of funds from the Distribution Account shall be made only in accordance with Sections 4.01 and 4.02 hereof.

#### Section 4.09 Swap Account.

(a) No later than the Closing Date, the Trustee shall establish and maintain a separate, segregated trust account to be titled, "Wells Fargo Bank, N.A. as Trustee, in trust for the registered holders of Asset Backed Funding Corporation Asset-Backed Certificates, Series 2006-OPT1--Swap Account." Such account shall be an Eligible Account and funds on deposit therein shall be held separate and apart from, and shall not be commingled with, any other moneys, including, without limitation, other moneys of the Trustee held pursuant to this Agreement. Amounts therein shall be held uninvested.

(b) On the Business Day prior to each Distribution Date, prior to any distribution to any Certificate, the Trustee shall deposit into the Swap Account: (i) the amount of any Net Swap Payment or Swap Termination Payment (other than any Swap Termination Payment resulting from a Swap Provider Trigger Event) owed to the Swap Provider (after taking into account any upfront payment received from the counterparty to a replacement interest rate swap agreement) from Available Funds and (ii) amounts received by the Trustee, for distribution in accordance with Section 4.02(c). For federal income tax purposes, any amounts paid to the Swap Provider on the Business Day prior to each Distribution Date shall be deemed paid, pursuant to Section 4.08 hereof (i) from REMIC 1 to REMIC 2, pro rata to the REMIC 1 Regular Interests based on the Uncertificated Accrued Interest thereon, (ii) then from REMIC 2 to REMIC 3, pro rata to the REMIC 2 Regular Interests based on Uncertificated Accrued Interest thereon, (iii) then from REMIC 3 to REMIC 4 in respect of the Class LTIO Interest, (iv) then from REMIC 4 to REMIC 5 in respect of the Swap IO Interest, and (v) then from the Class CE Certificates to the Swap Provider in respect of the Net Swap Payment due to the Swap Provider on such Distribution Date. To the extent the payment provided for in the preceding sentence is less than the amount of the Net Swap Payment due to the Swap Provider on such Distribution Date, such additional amounts shall be deemed paid in a manner similar to the deemed payments provided in the preceding sentence to the Holders of the Offered Certificates and the Class B Certificates in respect of the Class IO Distribution Amount (as defined in Section 4.09(d) below), and then shall be deemed paid to the Class CE Certificates pursuant to the notional principal contract described in Section 4.09(d) below and then to the Swap Provider. Any amounts deemed paid by any REMIC created hereunder pursuant to the preceding two sentences shall not be duplicated by any payments deemed made pursuant to Section 4.08 on the succeeding Distribution Date. Any Swap Termination Payment triggered by a Swap Provider Trigger Event owed to the Swap Provider pursuant to the Interest Rate Swap Agreement will be subordinated to distributions to the Holders of the Class A Certificates, Class B Certificates, and Class M Certificates and shall be paid as set forth under Section 4.02(b)(xxxiv).

(c) For federal income tax purposes, the Swap Account shall be owned by the Holders of the Class CE Certificates.

(d) The Trustee shall treat the Holders of Certificates (other than the Class P, Class CE and Residual Certificates) as having entered into a notional principal contract with respect to the Holders of the Class CE Certificates. Pursuant to each such notional principal contract, all Holders of Certificates (other than the Class P, Class CE and Residual Certificates) shall be treated as having agreed to pay, on each Distribution Date, to the Holder of the Class CE Certificates an aggregate amount equal to the excess, if any, of

(i) the amount payable on such Distribution Date on the Regular Interest in REMIC 4 corresponding to such Class of Certificates over (ii) the amount payable on such Class of Certificates on such Distribution Date (such excess, a "Class IO Distribution Amount"). A Class IO Distribution Amount payable from interest collections shall be allocated pro rata among such Certificates based on the excess of (a) the amount of interest otherwise payable to such Certificates over

(ii) the amount of interest payable to such Certificates at a per annum rate equal to the applicable Cap, and a Class IO Distribution Amount payable from principal collections shall be allocated to the most subordinate Class of Certificates with an outstanding principal balance to the extent of such balance. In addition, pursuant to such notional principal contract, the Holders of the Class CE Certificates shall be treated as having agreed to pay Cap Carryover Amounts to the Holders of the Certificates (other than the Class CE, Class P and Residual Certificates), in accordance with the terms of this Agreement. Any payments to the Certificates from amounts deemed received in respect of this notional principal contract shall not be payments with respect to a Regular Interest in a REMIC within the meaning of Code Section 860G(a)(1). However, any payment from the Certificates (other than the Class CE, Class P and Residual Certificates) of a Class IO Distribution Amount shall be treated for tax purposes as having been received by the Holders of such Certificates in respect of their interests in REMIC 4 and as having been paid by such Holders to the Trustee pursuant to the notional principal contract. Thus, each Certificate (other than the Class P and Residual Certificates) shall be treated as representing not only ownership of Regular Interests in REMIC 4, but also ownership of an interest in, and obligations with respect to, a notional principal contract.

#### Section 4.10 Group 3 Pre-Funding Account.

(a) No later than the Closing Date, the Trustee shall establish and maintain a segregated trust account that is an Eligible Account, which shall be titled "Group 3 Pre-Funding Account, Wells Fargo Bank, N.A., as trustee, in trust for the registered Holders of ABFC 2006-OPT1 Trust, Asset Backed Funding Corporation Asset-Backed Certificates, Series 2006-OPT1" (the "Group 3 Pre-Funding Account"). The Trustee shall, promptly upon receipt, deposit in the Group 3 Pre-Funding Account and retain therein the Original Group 3 Pre-Funded Amount remitted on the Closing Date to the Trustee by the Depositor. Funds deposited in the Group 3 Pre-Funding Account shall be held in trust by the Trustee for the Certificateholders for the uses and purposes set forth herein.

(b) Funds in the Group 3 Pre-Funding Account will remain uninvested. For federal income tax purposes, the Depositor shall be the owner of Group 3 Pre-Funding Account and shall report all items of income, deduction, gain or loss arising therefrom.

(c) Amounts on deposit in the Group 3 Pre-Funding Account shall be withdrawn by the Trustee as follows:

(i) On any Additional Transfer Date, the Trustee shall withdraw from the Group 3 Pre-Funding Account an amount equal to 100% of the aggregate Principal Balance of the Additional Group 3 Mortgage Loans transferred and assigned to the Trustee for deposit in the Mortgage Pool on such Additional Transfer Date and pay such amount to or upon the order of the Depositor upon satisfaction of the conditions set forth in

Section 2.04 with respect to such transfer and assignment;

(ii) If the amount on deposit in the Group 3 Pre-Funding Account has not been reduced to zero during the Funding Period, on the day immediately following the termination of the Funding Period, the Trustee shall deposit into the Distribution Account any amounts remaining in the Group 3 Pre-Funding Account for distribution in accordance with the terms hereof;

(iii) To withdraw any amount not required to be deposited in the Group 3 Pre-Funding Account or deposited therein in error; and

(iv) To clear and terminate the Group 3 Pre-Funding Account upon the earlier to occur of (A) the Distribution Date immediately following the end of the Funding Period and (B) the termination of this Agreement, with any amounts remaining on deposit therein being paid to the Holders of the Certificates then entitled to distributions in respect of principal.

Withdrawals pursuant to clauses (i), (ii) and (iii) shall be treated as contributions of cash to REMIC 1 on the date of withdrawal.

#### Section 4.11 Cap Carryover Reserve Account

On the Closing Date, the Trustee will establish the Cap Carryover Reserve Account (the "Cap Carryover Reserve Account"), which account will remain uninvested, held in trust for the benefit of the Holders of the Offered Certificates and Class B Certificates. The Cap Carryover Reserve Account will be an asset of the Trust but not of any REMIC. On each Distribution Date, Cap Carryover Amounts available pursuant to clause (xxxiii) of Section 4.02(b) will be deposited into the Cap Carryover Reserve Account. On such Distribution Date, the Trustee shall withdraw such Cap Carryover Amounts on deposit and apply them, sequentially, as follows:

first, concurrently, to the Class A-1, Class A-2, Class A-3A, Class A-3B, Class A-3C1, Class A-3C2 and Class A-3D Certificates, pro rata (based on the Cap Carryover Amount for each such Class), any Cap Carryover Amount for such Class; and

second, sequentially, to 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, Class M-9 and Class B

## ARTICLE V

### THE CERTIFICATES

#### Section 5.01 The Certificates.

Each of the Class A-1, Class A-2, Class A-3A, Class A-3B, Class A-3C1, Class A-3C2, Class A-3D, 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, Class B, Class CE, Class P and Residual Certificates shall be substantially in the forms annexed hereto as exhibits, and shall, on original issue, be executed by the Trustee and authenticated and delivered by the Certificate Registrar to or upon the receipt of a Written Order to Authenticate from the Depositor concurrently with the sale and assignment to the Trustee of the Trust Fund. Each Class of the Offered Certificates and the Class B Certificates shall be initially evidenced by one or more Certificates representing a Percentage Interest with a minimum dollar denomination of \$25,000 and integral multiples of \$1 in excess thereof. The Class CE and Class P Certificates are issuable only in minimum Percentage Interests of 10%. Each Residual Certificate is issuable only as a single certificate.

The Certificates shall be executed on behalf of the Trust by manual or facsimile signature on behalf of the Trustee by a Responsible Officer. Certificates bearing the manual or facsimile signatures of individuals who were, at the time when such signatures were affixed, authorized to sign on behalf of the Trustee shall bind the Trust, notwithstanding that such individuals or any of them have ceased to be so authorized prior to the authentication and delivery of such Certificates or did not hold such offices at the date of such Certificate. No Certificate shall be entitled to any benefit under this Agreement or be valid for any purpose, unless such Certificate shall have been manually authenticated by the Certificate Registrar substantially in the form provided for herein, and such authentication upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication. Subject to Section 5.02(c), the Offered Certificates and the Class B Certificates shall be Book-Entry Certificates. The Class CE, Class P and Residual Certificates shall not be Book-Entry Certificates but shall be issued in fully registered certificate form.

#### Section 5.02 Registration of Transfer and Exchange of Certificates.

(a) The Certificate Registrar shall cause to be kept at the Corporate Trust Office of the Trustee a Certificate Register in which, subject to such reasonable regulations as it may prescribe, the Certificate Registrar shall provide for the registration of Certificates and of transfers and exchanges of Certificates as herein provided. The Trustee shall initially serve as Certificate Registrar for the purpose of registering Certificates and transfers and exchanges of Certificates as herein provided. The Trustee as Certificate Registrar shall be subject to the same standards of care, limitations on liability and rights to indemnity as the Trustee, and the provisions of Sections 8.01, 8.02, 8.03, 8.04, 8.05, 8.14, 8.15 and 8.16 shall apply to the Certificate Registrar to the same extent as they apply to the Trustee. Any Certificate Registrar appointed in accordance with this Section 5.02(a) may at any time resign by giving at least 30 days' advance written notice of resignation to the Trustee, the Servicer and the Depositor, such resignation to become effective upon appointment of a successor Certificate Registrar.

Upon surrender for registration of transfer of any Certificate at any office or agency of the Certificate Registrar maintained for such purpose pursuant to the foregoing paragraph and, in the case of the Residual Certificates, upon satisfaction of the conditions set forth below, the Trustee on behalf of the Trust shall execute and the Certificate Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates of the same aggregate Percentage Interest.

At the option of the Certificateholders, Certificates may be exchanged for other Certificates in authorized denominations and the same aggregate Percentage Interests, upon surrender of the Certificates to be exchanged at any such office or agency. Whenever any Certificates are so surrendered for exchange, the Trustee shall execute on behalf of the Trust and the Certificate Registrar shall authenticate and deliver the Certificates which the Certificateholder making the exchange is entitled to receive. Every Certificate presented or surrendered for registration of transfer or exchange shall (if so required by the Trustee or the Certificate Registrar) be duly endorsed by, or be accompanied by a written instrument of transfer satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

(b) Upon original issuance, the Book-Entry Certificates shall be issued in the form of one or more typewritten certificates, to be delivered to the Depository, the initial Depository, by, or on behalf of, the Depositor; or to, and deposited with the Certificate Custodian, on behalf of the Depository, if directed to do so pursuant to instructions from the Depository. Except as provided in paragraph (c) below, the Book-Entry Certificates shall at all times remain registered in the name of the Depository or its nominee and at all times:

(i) registration of such Certificates may not be transferred by the Trustee except to another Depository; (ii) the Depository shall maintain book-entry records with respect to the Certificate Owners and with respect to ownership and transfers of such Certificates; (iii) ownership and transfers of registration of such Certificates on the books of the Depository shall be governed by applicable rules established by the Depository; (iv) the Depository may collect its usual and customary fees, charges and expenses from its Depository Participants; (v) the Trustee shall for all purposes deal with the Depository as representative of the Certificate Owners of the Certificates for purposes of exercising the rights of Holders under this Agreement, and requests and directions for and votes of such representative shall not be deemed to be inconsistent if they are made with respect to different Certificate Owners; (vi) the Trustee may rely and shall be fully protected in relying upon information furnished by the Depository with respect to its Depository Participants and furnished by the Depository Participants with respect to indirect participating firms and Persons shown on the books of such indirect participating firms as direct or indirect Certificate Owners; and (vii) the direct participants of the Depository shall have no rights under this Agreement under or with respect to any of the Certificates held on their behalf by the Depository,



and the Depository may be treated by the Trustee and its agents, employees, officers and directors as the absolute owner of the Certificates for all purposes whatsoever.

All transfers by Certificate Owners of Book-Entry Certificates shall be made in accordance with the procedures established by the Depository Participant or brokerage firm representing such Certificate Owners. Each Depository Participant shall only transfer Book-Entry Certificates of Certificate Owners that it represents or of brokerage firms for which it acts as agent in accordance with the Depository's normal procedures. The parties hereto are hereby authorized to execute a Letter of Representations with the Depository or take such other action as may be necessary or desirable to register a Book-Entry Certificate to the Depository. In the event of any conflict between the terms of any such Letter of Representation and this Agreement, the terms of this Agreement shall control.

(c) If the Depository advises the Trustee in writing that the Depository is no longer willing or able to discharge properly its responsibilities as Depository and the Trustee or the Depositor is unable to locate a qualified successor. Upon surrender to the Certificate Registrar of the Book-Entry Certificates by the Depository, accompanied by registration instructions from the Depository for registration, the Trustee shall, at the Trust's expense, execute on behalf of the Trust and the Certificate Registrar shall authenticate definitive, fully registered certificates (the "Definitive Certificates"). None of the Depositor or the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Certificates, the Trustee, the Certificate Registrar, the Servicer, any Paying Agent and the Depositor shall recognize the Holders of the Definitive Certificates as Certificateholders hereunder.

(d) Except with respect to a transfer of the Private Certificates between or among the Depositor, the Seller, their affiliates or both, no transfer, sale, pledge or other disposition of any Private Certificate shall be made unless such disposition is exempt from the registration requirements of the Securities Act of 1933, as amended (the "1933 Act"), and any applicable state securities laws or is made in accordance with the 1933 Act and laws. In the event of any such transfer, (i) unless such transfer is made in reliance upon Rule 144A (as evidenced by the investment letter delivered to the Certificate Registrar, in substantially the form attached hereto as Exhibit J-2) under the 1933 Act, the Certificate Registrar and the Depositor shall require a written Opinion of Counsel (which may be in-house counsel) acceptable to and in form and substance reasonably satisfactory to the Certificate Registrar and the Depositor that such transfer may be made pursuant to an exemption, describing the applicable exemption and the basis therefor, from the 1933 Act or is being made pursuant to the 1933 Act, which Opinion of Counsel shall not be an expense of the Certificate Registrar or the Depositor or (ii) the Certificate Registrar shall require the transferor to execute a transferor certificate (in substantially the form attached hereto as Exhibit L) and the transferee to execute an investment letter (in substantially the form attached hereto as Exhibit J-1 or J-2 (in the case of the Class P, Class CE or Residual Certificates) or in the form of Exhibit J-2 (in the case of Class B Certificates)) acceptable to and in form and substance reasonably satisfactory to the Depositor and the Certificate Registrar certifying to the Depositor and the Certificate Registrar the facts surrounding such transfer, which investment letter shall not be an expense of the Certificate Registrar or the Depositor. The Holder of a Private Certificate desiring to effect such transfer shall, and does hereby agree to, indemnify the Certificate Registrar and the Depositor against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws. For purposes of clause (ii) of this Section 5.02(d) the representations required in any transferor certificate (substantially in the form of Exhibit L hereto) and any investment letter (substantially in the form of Exhibit J-2 hereto) shall be deemed to have made in connection with the transfer of any Private Certificate that is a Book-Entry Certificate.

No transfer of an ERISA-Restricted Certificate shall be made unless the Certificate Registrar shall have received either (i) a representation from the transferee of such Certificate, acceptable to and in form and substance satisfactory to the Certificate Registrar and the Depositor (such requirement is satisfied only by the Certificate Registrar's receipt of a representation letter from the transferee substantially in the form of Exhibit I hereto, as appropriate), to the effect that such transferee is not an employee benefit plan or arrangement subject to Section 406 of ERISA, a plan subject to Section 4975 of the Code or a plan subject to any federal, state or local law ("Similar Law") materially similar to the foregoing provisions of ERISA or the Code, nor a person acting on behalf of any such plan or arrangement nor using the assets of any such plan or arrangement to effect such transfer other than, except in the case of the Class P Certificates or the Residual Certificates, an insurance company general account that is eligible for and meets all requirements for relief under Sections I and III of PTCE 95-60 or (ii) (except in the case of the Class P Certificates or the Residual Certificates) in the case of any such ERISA Restricted Certificate presented for registration in the name of an employee benefit plan subject to ERISA or a plan or arrangement subject to Section 4975 of the Code (or comparable provisions of any subsequent enactments), or a trustee of any such plan or any other person acting on behalf of any such plan or arrangement or using such plan's or arrangement's assets, an Opinion of Counsel satisfactory to the Certificate Registrar, to the effect that the purchase or holding of such ERISA Restricted Certificate will not constitute or result in a non-exempt prohibited transaction within the meaning of ERISA,

Section 4975 of the Code or Similar Law and will not subject the Depositor, the Servicer, the Trustee, the NIMS Insurer or the Certificate Registrar to any obligation in addition to those expressly undertaken in this Agreement or to any liability. For purposes of clause (i) of the preceding sentence, such representation shall be deemed to have been made to the Certificate Registrar by the acceptance by a Certificate Owner of the beneficial interest in any such Class of ERISA-Restricted Certificates, unless the Certificate Registrar shall have received from the transferee an alternative representation acceptable in form and substance to the Depositor. Notwithstanding anything else to the contrary herein, any purported transfer of an ERISA-Restricted Certificate to or on behalf of an employee benefit plan subject to ERISA, Section 4975 of the Code or Similar Law without the delivery to the Certificate Registrar of an Opinion of Counsel satisfactory to the Certificate Registrar as described above shall be void and of no effect.

For so long as the Interest Rate Swap Agreement is in existence, each beneficial owner of a Certificate other than an ERISA Restricted Certificate or any interest therein, shall be deemed to have represented, by virtue of its acquisition or holding of such Certificate, or interest therein, that either (i) it is not a Plan or (ii) (A) it is an "accredited investor" (as defined in Rule 501(a) of Regulation D under the 1933 Act, as amended, and (B) the acquisition and holding of such Certificate and the separate right to receive payments from the Swap Account are eligible for the exemptive relief available under Department of Labor Prohibited Transaction Class Exemption 84-14 (for transactions by independent

"qualified professional asset managers"; 91-58 (for transactions by bank collective investment funds), 90-1 (for transactions by insurance company pooled separate accounts), 95-60 (for transactions by insurance company general accounts) or 96-23 (for transactions effected by "in-house asset managers").

Each Person who has or who acquires any Ownership Interest in a Residual Certificate shall be deemed by the acceptance or acquisition of such Ownership Interest to have agreed to be bound by the following provisions and to have irrevocably appointed the Depositor or its designee as its attorney-in-fact to negotiate the terms of any mandatory sale under clause (v) below and to execute all instruments of transfer and to do all other things necessary in connection with any such sale, and the rights of each Person acquiring any Ownership Interest in a Residual Certificate are expressly subject to the following provisions:

(i) Each Person holding or acquiring any Ownership Interest in a Residual Certificate shall be a Permitted Transferee and shall promptly notify the Certificate Registrar of any change or impending change in its status as a Permitted Transferee.

(ii) No Person shall acquire an Ownership Interest in a Residual Certificate unless such Ownership Interest is a pro rata undivided interest.

(iii) In connection with any proposed transfer of any Ownership Interest in a Residual Certificate, the Certificate Registrar shall as a condition to registration of the transfer, require delivery to it, in form and substance satisfactory to it, of each of the following:

A. an affidavit in the form of Exhibit K hereto from the proposed transferee to the effect that, among other things, such transferee is a Permitted Transferee and that it is not acquiring its Ownership Interest in a Residual Certificate that is the subject of the proposed transfer as a nominee, trustee or agent for any Person who is not a Permitted Transferee; and

B. a covenant of the proposed transferee to the effect that the proposed transferee agrees to be bound by and to abide by the transfer restrictions applicable to the Residual Certificates.

(iv) Any attempted or purported transfer of any Ownership Interest in a Residual Certificate in violation of the provisions of this Section shall be absolutely null and void and shall vest no rights in the purported transferee. If any purported transferee shall, in violation of the provisions of this Section, become the Holder of Residual Certificate, then the prior Holder of such Residual Certificate that is a Permitted Transferee shall, upon discovery that the registration of transfer of such Residual Certificate was not in fact permitted by this Section, be restored to all rights as Holder thereof retroactive to the date of registration of transfer of such Residual Certificate. The Certificate Registrar shall be under no liability to any Person for any registration of transfer of a Residual Certificate that is in fact not permitted by this Section or for making any distributions due on such Residual Certificate to the Holder thereof or taking any other action with respect to such Holder under the provisions of this Agreement so long as the Certificate Registrar received the documents specified in clause (iii). The Trustee shall be entitled to recover from any Holder of a Residual Certificate that was in fact not a Permitted Transferee at the time such distributions were made all distributions made on such Residual Certificate. Any such distributions so recovered by the Trustee shall be distributed and delivered by the Trustee to the prior Holder of such Residual Certificate that is a Permitted Transferee.

(v) If any Person other than a Disqualified Organization acquires any Ownership Interest in a Residual Certificate in violation of the restrictions in this Section, then the Certificate Registrar shall have the right but not the obligation, without notice to the Holder of a Residual Certificate or any other Person having an Ownership Interest therein, to notify the Depositor to arrange for the sale of a Residual Certificate. The proceeds of such sale, net of commissions (which may include commissions payable to the Depositor or its affiliates in connection with such sale), expenses and taxes due, if any, will be remitted by the Trustee to the previous Holder of a Residual Certificate that is a Permitted Transferee, except that in the event that the Trustee determines that the Holder of a Residual Certificate may be liable for any amount due under this Section or any other provisions of this Agreement, the Trustee may withhold a corresponding amount from such remittance as security for such claim. The terms and conditions of any sale under this clause (v) shall be determined in the sole discretion of the Trustee and it shall not be liable to any Person having an Ownership Interest in a Residual Certificate as a result of its exercise of such discretion.

(vi) If any Person other than a Permitted Transferee acquires any Ownership Interest in a Residual Certificate in violation of the restrictions in this Section, then the Trustee will provide to the Internal Revenue Service, and to the persons specified in Sections 860E(e)(3) and (6) of the Code, information needed to compute the tax imposed under Section 860E(e)(5) of the Code on transfers of residual interests to disqualified organizations. The Trustee shall be entitled to reasonable compensation for providing such information from the person to whom it is provided.

The foregoing provisions of this Section shall cease to apply to transfers occurring on or after the date on which there shall have been delivered to the Certificate Registrar, in form and substance satisfactory to the Certificate Registrar, (i) written notification from each Rating Agency that the removal of the restrictions on Transfer set forth in this Section will not cause such Rating Agency to downgrade its rating of the Certificates and (ii) an Opinion of Counsel to the effect that such removal will not cause any REMIC created hereunder to fail to qualify as a REMIC.

(e) No service charge shall be made for any registration of transfer or exchange of Certificates of any Class, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

All Certificates surrendered for registration of transfer or exchange shall be cancelled by the Certificate Registrar and disposed of pursuant to its standard procedures.

If (i) any mutilated Certificate is surrendered to the Certificate Registrar or the Certificate Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Certificate and (ii) there is delivered to the Trustee, the Depositor, the NIMS Insurer and the Certificate Registrar such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Trustee or the Certificate Registrar that such Certificate has been acquired by a bona fide purchaser, the Trustee shall execute on behalf of the Trust, and the Certificate Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor and Percentage Interest. Upon the issuance of any new Certificate under this Section, the Trustee or the Certificate Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee and the Certificate Registrar) in connection therewith. Any duplicate Certificate issued pursuant to this Section, shall constitute complete and indefeasible evidence of ownership in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

#### Section 5.04 Persons Deemed Owners.

The Servicer, the Depositor, the NIMS Insurer, the Trustee, the Certificate Registrar, any Paying Agent and any agent of the Servicer, the Depositor, the NIMS Insurer, the Certificate Registrar, any Paying Agent or the Trustee may treat the Person, including a Depository, in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Section 4.01 and 4.02 and for all other purposes whatsoever, and none of the Servicer, the Trust, the NIMS Insurer, the Trustee nor any agent of any of them shall be affected by notice to the contrary.

#### Section 5.05 Appointment of Paying Agent.

(a) The Paying Agent shall make distributions to Certificateholders from the Distribution Account pursuant to Section 4.01 and 4.02 and shall report the amounts of such distributions to the Trustee. The duties of the Paying Agent may include the obligation to distribute statements and provide information to Certificateholders as required hereunder. The Paying Agent hereunder shall at all times be an entity duly incorporated and validly existing under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal or state authorities. The Paying Agent shall initially be the Trustee. The Trustee may appoint a successor to act as Paying Agent, which appointment shall be reasonably satisfactory to the Depositor, the NIMS Insurer and the Rating Agencies. The Trustee as Paying Agent shall be subject to the same standards of care, limitations on liability and rights to indemnity as the Trustee, and the provisions of Sections 8.01, 8.02, 8.03, 8.04, 8.05, 8.14, 8.15 and 8.16 shall apply to the Paying Agent to the same extent as they apply to the Trustee. Any Paying Agent appointed in accordance with this Section 5.05 may at any time resign by giving at least 30 days' advance written notice of resignation to the Trustee, the Servicer, the NIMS Insurer and the Depositor, such resignation to become effective upon appointment of a successor Paying Agent.

## ARTICLE VI

### THE SERVICER AND THE DEPOSITOR

#### Section 6.01 Liability of the Servicer and the Depositor.

The Servicer shall be liable in accordance herewith only to the extent of the obligations specifically imposed upon and undertaken by the Servicer herein. The Depositor shall be liable in accordance herewith only to the extent of the obligations specifically imposed upon and undertaken by the Depositor.

#### Section 6.02 Merger or Consolidation of, or Assumption of the Obligations of, the Servicer or the Depositor.

Any entity into which the Servicer or the Depositor may be merged or consolidated, or any entity resulting from any merger, conversion or consolidation to which the Servicer or the Depositor shall be a party, or any corporation succeeding to the business of the Servicer or the Depositor, shall be the successor of the Servicer or the Depositor, as the case may be, 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; provided, however, that the successor servicer shall satisfy all the requirements of Section 7.02 with respect to the qualifications of a successor servicer. The Servicer and such successor or surviving Person shall notify the Depositor and the Trustee of any such merger, conversion or consolidation at least two Business Days prior to the effective date thereof and shall provide the Depositor and the Trustee with all information required by the Depositor to comply with its reporting obligation under Item 6.02 of Form 8-K not later than the effective date of such merger, conversion or consolidation.

#### Section 6.03 Limitation on Liability of the Servicer and Others.

Neither the Servicer nor any of the directors or officers or employees or agents of the Servicer shall be under any liability to the Trust or the Certificateholders for any action taken or for refraining from the taking of any action by the Servicer in good faith pursuant to this Agreement, or for errors in judgment; provided, however, that this provision shall not protect the Servicer or any such Person against any liability which would otherwise be imposed by reason of its willful misfeasance, bad faith or negligence in the performance of duties of the Servicer or by reason of its reckless disregard of its obligations and duties of the Servicer hereunder; provided, further, that this provision shall not be construed to entitle the Servicer to indemnity in the event that amounts advanced by the Servicer to retire any senior lien exceed Liquidation

Proceeds (in excess of related liquidation expenses) realized with respect to the related Mortgage Loans. The Servicer and any director or officer or employee or agent of the Servicer 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. The Servicer and any director or officer or employee or agent of the Servicer shall be indemnified by the Trust and held harmless against any loss, liability or expense incurred in connection with any legal action relating to this Agreement or the Certificates, other than any loss, liability or expense incurred by reason of its willful misfeasance, bad faith or negligence in the performance of duties hereunder or by reason of its reckless disregard of obligations and duties hereunder. The Servicer may undertake any such action which it may deem necessary or desirable in respect of this Agreement, and the rights and duties of the parties hereto and the interests of the Certificateholders hereunder. In such event, the reasonable legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs and liabilities of the Trust and the Servicer shall be entitled to pay such expenses from the proceeds of the Trust or to be reimbursed therefor pursuant to Section 3.05 upon presentation to the Trustee of documentation of such expenses, costs and liabilities. The Servicer's right to indemnity or reimbursement pursuant to this Section shall survive any resignation or termination of the Servicer pursuant to Section 6.04 or 7.01 with respect to any losses, expenses, costs or liabilities arising prior to such resignation or termination (or arising from events that occurred prior to such resignation or termination). This paragraph shall apply to the Servicer solely in its capacity as Servicer hereunder and in no other capacities.

#### Section 6.04 Servicer Not to Resign.

Subject to the provisions of Section 7.01 and Section 6.02, the Servicer shall not resign from the obligations and duties hereby imposed on it except (i) upon determination that the performance of its obligations or duties hereunder are no longer permissible under applicable law or are in material conflict by reason of applicable law with any other activities carried on by it or its subsidiaries or Affiliates, the other activities of the Servicer so causing such a conflict being of a type and nature carried on by the Servicer or its subsidiaries or Affiliates at the date of this Agreement or (ii) upon satisfaction of the following conditions: (a) the Servicer has proposed a successor servicer to the Trustee and the NIMS Insurer in writing and such proposed successor servicer is reasonably acceptable to the Trustee and the NIMS Insurer; and (b) each Rating Agency shall have delivered a letter to the Trustee and the NIMS Insurer prior to the appointment of the successor servicer stating that the proposed appointment of such successor servicer as Servicer hereunder will not result in the reduction or withdrawal of the then current rating of the Regular Certificates or the ratings that are in effect; provided, however, that no such resignation by the Servicer shall become effective until such successor servicer or, in the case of (i) above, the Trustee shall have assumed the Servicer's responsibilities and obligations hereunder or the Trustee shall have designated a successor servicer in accordance with Section 7.02. Any such resignation shall not relieve the Servicer of responsibility for any of the obligations specified in Sections 7.01 and 7.02 as obligations that survive the resignation or termination of the Servicer. Any such determination permitting the resignation of the Servicer shall be evidenced by an Opinion of Counsel to such effect delivered to the Trustee and the NIMS Insurer.

#### Section 6.05 Delegation of Duties.

(a) In the ordinary course of business, the Servicer, subject to the provisions of Section 3.16, at any time may delegate any of its duties hereunder to any Person, including any of its Affiliates, who agrees to conduct such duties in accordance with standards comparable to those set forth in

Section 3.01. Such delegation shall not relieve the Servicer of its liabilities and responsibilities with respect to such duties and shall not constitute a resignation within the meaning of Section 6.04. The Servicer shall provide the Trustee, the NIMS Insurer and the Rating Agencies with 60 days prior written notice prior to the delegation of any of its duties to any Person other than any of the Servicer's Affiliates or their respective successors and assigns.

(b) The Servicer is hereby authorized, with the consent of the NIMS Insurer, to enter into a financing or other facility (any such arrangement, an "Advance Facility") under which (1) the Servicer assigns or pledges to another Person (together with such Person's successors and assigns, an "Advancing Person") the Servicer's rights under this Agreement to be reimbursed for any Advances or Servicing Advances and/or (2) an Advancing Person agrees to fund some or all Advances and/or Servicing Advances required to be made by the Servicer pursuant to this Agreement. The Servicer shall notify each other party to this Agreement prior to or promptly after entering into or terminating any Advance Facility. Notwithstanding the existence of any Advance Facility under which an Advancing Person agrees to fund Advances and/or Servicing Advances on the Servicer's behalf, the Servicer shall remain obligated pursuant to this Agreement to make Advances and Servicing Advances pursuant to and as required by this Agreement. If the Servicer enters into an Advance Facility, and for so long as an Advancing Person remains entitled to receive reimbursement for any Advances and/or Servicing Advances, as applicable, pursuant to this Agreement, then the Servicer shall not be permitted to reimburse itself for Advances and/or Servicing Advances, but instead the Servicer shall be required to remit amounts collected that would otherwise be retained by the Servicer to reimburse it for the amount of previously unreimbursed Advances ("Advance Reimbursements") and/or previously unreimbursed Servicing Advances ("Servicing Advance Reimbursements" and together with Advance Reimbursements, "Reimbursements") (in each case to the extent such type of Reimbursements are included in the Advance Facility) in accordance with the documentation establishing the Advance Facility to such Advancing Person or to a trustee, agent or custodian (an "Advance Facility Trustee") designated by such Advancing Person. Notwithstanding anything to the contrary herein, in no event shall Advance Reimbursements or Servicing Advance Reimbursements be included in the "Available Funds" or distributed to Certificateholders. If the terms of a facility proposed to be entered into with an Advancing Person by the Servicer would not materially and adversely affect the interests of any Certificateholder, then the NIMS Insurer shall not withhold its consent to the Servicer's entering such facility.

Reimbursements shall consist solely of amounts in respect of Advances and/or Servicing Advances made with respect to the Mortgage Loans for which the Servicer would be permitted to reimburse itself in accordance with this Agreement, assuming the Servicer had made the related Advance(s) and/or Servicing Advance(s). Notwithstanding the foregoing, no Person shall be entitled to reimbursement from funds held in the Collection Account for future distribution to Certificateholders pursuant to this Agreement. None of the Depositor or the Trustee shall have any duty or liability with respect to the calculation or payment of any Reimbursements, nor shall the Depositor or the Trustee have any

responsibility to track or monitor the administration of the Advance Facility or the payment of Reimbursements to the related Advancing Person or Advance Facility Trustee. The Servicer shall maintain and provide to any successor servicer and (upon request) the Trustee a detailed accounting on a loan by loan basis as to amounts advanced by, pledged or assigned to, and reimbursed to any Advancing Person. The successor servicer shall be entitled to rely on any such information provided by the predecessor servicer, and the successor servicer shall not be liable for any errors in such information.

An Advancing Person who receives an assignment or pledge of the rights to be reimbursed for Advances and/or Servicing Advances, and/or whose obligations hereunder are limited to the funding of Advances and/or Servicing Advances shall not be required to meet the criteria for qualification of a subservicer set forth in this Agreement.

The documentation establishing any Advance Facility shall require that Reimbursements distributed with respect to each Mortgage Loan be allocated to outstanding unreimbursed Advances or Servicing Advances (as the case may be) made with respect to that Mortgage Loan on a "first in, first out" (FIFO) basis. Such documentation shall also require the Servicer to provide to the related Advancing Person or Advance Facility Trustee loan by loan information with respect to each Reimbursement distributed to such Advancing Person or Advance Facility Trustee on each Distribution Date, to enable the Advancing Person or Advance Facility Trustee to make the FIFO allocation of each Reimbursement with respect to each Mortgage Loan. The Servicer shall remain entitled to be reimbursed by the Advancing Person or Advance Facility Trustee for all Advances and Servicing Advances funded by the Servicer to the extent the related rights to be reimbursed therefor have not been assigned or pledged to an Advancing Person.

The Servicer shall indemnify the Depositor, the Trustee, the NIMS Insurer, any successor servicer and the Trust Fund resulting from any claim by the related Advancing Person, except to the extent that such claim, loss, liability or damage resulted from or arose out of negligence, recklessness or willful misconduct on the part of the Depositor, the Trustee or any successor servicer.

Any amendment to this Section 6.05(b) or to any other provision of this Agreement that may be necessary or appropriate to effect the terms of an Advance Facility as described generally in this Section 6.05(b), including amendments to add provisions relating to a successor servicer, may be entered into by the Trustee, the Depositor and the Servicer without the consent of any Certificateholder but with the consent of the NIMS Insurer, provided such amendment complies with Section 11.01 hereof. All reasonable costs and expenses (including attorneys' fees) of each party hereto of any such amendment shall be borne solely by the Servicer. Prior to entering into an Advance Facility, the Servicer shall notify the lender under such facility in writing that: (a) the Advances and/or Servicing Advances financed by and/or pledged to the lender are obligations owed to the Servicer on a non-recourse basis payable only from the cash flows and proceeds received under this Agreement for reimbursement of Advances and/or Servicing Advances only to the extent provided herein, and the Trustee and the Trust are not otherwise obligated or liable to repay any Advances and/or Servicing Advances financed by the lender; (b) the Servicer will be responsible for remitting to the lender the applicable amounts collected by it as reimbursement for Advances and/or Servicing Advances funded by the lender, subject to the restrictions and priorities created in this Agreement; and (c) the Trustee shall not have any responsibility to track or monitor the administration of the financing arrangement between the Servicer and the lender.

If the Servicer determines any such affiliate or third party vendor would be a "servicer" within the meaning of Item 1101 of Regulation AB, the Servicer shall not engage such affiliate or third party vendor unless it provides the Trustee and the Depositor the information required by Section 1108(b) and 1108(c) of Regulation AB prior to such engagement.

In the event of any assignment of rights or delegation of duties of the Servicer, the Trustee shall report such event on Form 8-K within four Business Days after the effective date thereof provided that the Servicer provides notice of such occurrence to the Trustee within 2 days of such effective date.

## **ARTICLE VII**

### **DEFAULT**

#### **Section 7.01 Servicer Events of Termination.**

(a) If any one of the following events ("Servicer Events of Termination") shall occur and be continuing:

(i) (A) The failure by the Servicer to make any Advance or to pay Compensating Interest; or (B) any other failure by the Servicer to deposit in the Collection Account or remit to the Trustee for deposit in the Distribution Account any payment required to be made under the terms of this Agreement, which failure continues unremedied for a period of one Business Day after the first date on which (x) the Servicer has knowledge of such failure or (y) written notice of such failure is given to the Servicer; or

(ii) The failure by the Servicer to make any required Servicing Advance which failure continues unremedied for a period of 30 days, or the failure by the Servicer duly to observe or perform, in any material respect, any other covenants, obligations or agreements of the Servicer as set forth in this Agreement, which failure continues unremedied for a period of 30 days, after the date (A) on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Trustee or the NIMS Insurer or by any Holder of a Regular Certificate evidencing at least 25% of the Voting Rights or (B) actual knowledge of such failure by a Servicing Officer of the Servicer; or

(iii) The entry against the Servicer of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the

appointment of a trustee, conservator, receiver or liquidator in any insolvency, conservatorship, receivership, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 days; or

(iv) The Servicer shall voluntarily go into liquidation, consent to the appointment of a conservator or receiver or liquidator or similar person in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Servicer or of or relating to all or substantially all of its property; or a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver, liquidator or similar person 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 Servicer and such decree or order shall have remained in force undischarged, unbonded or unstayed for a period of 60 days; or the Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations;

(v) As of any Distribution Date, if the average for the related Collection Period and the two preceding Collection Periods of the fraction, expressed as a percentage, the numerator of which is (a) the aggregate Principal Balance of 60+ Day Delinquent Loans and the denominator of which is (b) the aggregate Principal Balance of the Mortgage Loans, in the case of both (a) and (b), as of the last day of each such Collection Period, exceeds 18%; or

(vi) The failure of the Servicer to comply with Sections 3.19, 3.20 or 3.31 hereof (including with respect to any Additional Servicer, Subservicer or Subcontractor engaged by the Servicer) (without any regard to any cure period).

(b) Then, and in each and every such case, so long as a Servicer Event of Termination shall not have been remedied within the applicable grace period, (x) with respect solely to clause (i)(A) above, if such Advance is not made by 2:00 P.M., New York time, on the Business Day immediately following the Servicer Remittance Date, the Trustee may terminate all of the rights and obligations of the Servicer under this Agreement and the Trustee, or a successor servicer appointed in accordance with Section 7.02, shall immediately make such Advance and assume, pursuant to Section 7.02, the duties of a successor servicer and (y) in the case of (i)(B), (ii), (iii), (iv), (v) and (vi) above, the Trustee shall, at the direction of the NIMS Insurer or Holders of each Class of Regular Certificates evidencing Percentage Interests aggregating not less than 51%, by notice then given in writing to the Servicer (and to the Trustee if given by Holders of Certificates), terminate all of the rights and obligations of the Servicer as servicer under this Agreement. Any such notice to the Servicer shall also be given to each Rating Agency, the NIMS Insurer and the Depositor. On or after the receipt by the Servicer (and by the Trustee if such notice is given by the Holders) of such written notice, all authority and power of the Servicer under this Agreement, whether with respect to the Certificates or the Mortgage Loans or otherwise, shall pass to and be vested in the Trustee pursuant to and under this Section or successor servicer appointed in connection with Section 7.02; and, without limitation, the Trustee or successor servicer is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination, whether to complete the transfer and endorsement of each Mortgage Loan and Related Documents or otherwise. The Servicer agrees to cooperate with the Trustee (or the applicable successor servicer) in effecting the termination of the responsibilities and rights of the Servicer hereunder, including, without limitation, the delivery to the Trustee (or the applicable successor servicer) of all documents and records requested by it to enable it to assume the Servicer's functions under this Agreement within ten Business Days subsequent to such notice, the transfer within one Business Day subsequent to such notice to the Trustee (or the applicable successor servicer) for the administration by it of all cash amounts that shall at the time be held by the Servicer and to be deposited by it in the Collection Account, the Distribution Account or any Escrow Account or that have been deposited by the Servicer in such accounts or thereafter received by the Servicer with respect to the Mortgage Loans or any REO Property received by the Servicer. All reasonable out-of-pocket costs and expenses (including attorneys' fees) incurred in connection with transferring the servicing to the successor servicer and amending this Agreement to reflect such succession as Servicer pursuant to this Section shall be paid by the predecessor servicer (or if the predecessor servicer is the Trustee, the initial servicer) upon presentation of reasonable documentation of such costs and expenses, and if such predecessor Servicer defaults in its obligation to pay such costs, such costs shall be paid by the successor Servicer or the Trustee (in which case the successor Servicer or the Trustee shall be entitled to reimbursement therefor from the assets of the Trust).

Notwithstanding any termination of the activities of a Servicer hereunder, the Servicer shall be entitled to receive payment of all accrued and unpaid Servicing Fees and reimbursement for all outstanding Advances and Servicing Advances properly made prior to the date of termination.

#### Section 7.02 Trustee to Act; Appointment of Successor.

(a) Within 90 days of the time the Servicer (and the Trustee, if notice is sent by the Holders) receives a notice of termination pursuant to Section 7.01 or 6.04, the Trustee (or such other successor servicer as is approved in accordance with this Agreement) shall be the successor in all respects to the Servicer in its capacity as servicer under this Agreement and the transactions set forth or provided for herein and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof arising on and after its succession. As compensation therefor, the Trustee (or such other successor servicer) shall be entitled to such compensation as the Servicer would have been entitled to hereunder if no such notice of termination had been given. Notwithstanding the above, (i) if the Trustee is unwilling to act as successor servicer or (ii) if the Trustee is legally unable so to act, the Trustee shall appoint or petition a court of competent jurisdiction to appoint, any established housing and home finance institution, bank or other mortgage loan or home equity loan servicer having a net worth of not less than \$50,000,000 as the successor to the Servicer hereunder in the assumption of all or any part of the responsibilities, duties or liabilities of the Servicer hereunder; provided, that the appointment of any such successor servicer will not result in the qualification, reduction or withdrawal of the ratings assigned to the Certificates or the ratings that are in effect by the Rating Agencies as evidenced by a letter to such effect from the Rating Agencies and that, in the case of a successor servicer appointed by the Trustee, such successor servicer is reasonably acceptable to the NIMS Insurer. Pending appointment of a successor to the Servicer hereunder, unless the Trustee is prohibited by

law from so acting, the Trustee shall act in such capacity as hereinabove provided. In connection with such appointment and assumption, the successor shall be entitled to receive compensation out of payments on Mortgage Loans in an amount equal to the compensation which the Servicer would otherwise have received pursuant to Section 3.18 (or such other compensation as the Trustee and such successor shall agree, not to exceed the Servicing Fee). The successor servicer shall be entitled to withdraw from the Collection Account all costs and expenses associated with the transfer of the servicing to the successor servicer, including costs and expenses of the Trustee. The appointment of a successor servicer shall not affect any liability of the predecessor servicer which may have arisen under this Agreement prior to its termination as Servicer to pay any deductible under an insurance policy pursuant to Section 3.11 or to indemnify the parties indicated in Section 3.26 pursuant to the terms thereof, nor shall any successor servicer be liable for any acts or omissions of the predecessor servicer or for any breach by such servicer of any of its representations or warranties contained herein or in any related document or agreement. The Trustee and such successor shall take such action, consistent with this Agreement, as shall be necessary to effectuate any such succession.

(b) Any successor, including the Trustee, to the Servicer as servicer shall during the term of its service as servicer continue to service and administer the Mortgage Loans for the benefit of Certificateholders, and maintain in force a policy or policies of insurance covering errors and omissions in the performance of its obligations as Servicer hereunder and a Fidelity Bond in respect of its officers, employees and agents to the same extent as the Servicer is so required pursuant to Section 3.12.

(c) The predecessor Servicer and successor Servicer shall notify the Depositor and Trustee of any such appointment at least two Business Days prior to the effective date thereof and shall provide the Depositor and the Trustee with all information required by the Depositor to comply with its reporting obligation under Item 6.02 of Form 8-K not later than the effective date of such appointment.

#### Section 7.03 Waiver of Defaults.

The Holders of Certificates entitled to at least 66 2/3% of the Voting Rights allocated to the Classes of Certificates affected by a Servicer Event of Termination may, on behalf of all Certificateholders, and with the consent of the NIMS Insurer, waive any events permitting removal of the Servicer as servicer pursuant to this Article VII, provided, however, that such Holders may not waive a default in making a required distribution on a Certificate without the consent of the Holder of such Certificate and the NIMS Insurer. Upon any waiver of a past default, such default shall cease to exist and any Servicer Event of Termination 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 thereto except to the extent expressly so waived. Notice of any such waiver shall be given by the Trustee to the Rating Agencies.

#### Section 7.04 Notification to Certificateholders.

(a) On any termination or appointment of a successor to the Servicer pursuant to this Article VII or Section 6.04, the Trustee shall give prompt written notice thereof to the Certificateholders at their respective addresses appearing in the Certificate Register, the NIMS Insurer and each Rating Agency.

(b) No later than 60 days after the occurrence of any event which constitutes or which, with notice or a lapse of time or both, would constitute a Servicer Event of Termination for five Business Days after a Responsible Officer of the Trustee becomes aware of the occurrence of such an event, the Trustee shall transmit by mail to the NIMS Insurer and all Certificateholders notice of such occurrence unless such default or Servicer Event of Termination shall have been waived or cured. Such notice shall be given to the Rating Agencies promptly after any such occurrence.

#### Section 7.05 Survivability of Servicer Liabilities.

Notwithstanding anything herein to the contrary, upon termination of the Servicer hereunder, any liabilities of the Servicer which accrued prior to such termination shall survive such termination.

## ARTICLE VIII

### THE TRUSTEE

#### Section 8.01 Duties of Trustee.

(a) The Trustee, prior to the occurrence of a Servicer Event of Termination of which a Responsible Officer of the Trustee shall have actual knowledge and after the curing of all Servicer Events of Termination which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Agreement. If a Servicer Event of Termination has occurred (which has not been cured) of which a Responsible Officer has actual knowledge, the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee which are specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they conform to the requirements of this Agreement; provided, however, that the Trustee shall not be responsible for the accuracy or content of any resolution, certificate, statement, opinion, report, document, order or other instrument furnished by the Servicer, the Seller, the NIMS

Insurer or the Depositor hereunder. If any such instrument is found not to conform in any material respect to the requirements of this Agreement, the Trustee shall notify the Certificateholders of such instrument in the event that the Trustee, after so requesting, does not receive a satisfactorily corrected instrument.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own misconduct; provided, however, that:

(i) prior to the occurrence of a Servicer Event of Termination of which a Responsible Officer of the Trustee shall have actual knowledge, and after the curing of all such Servicer Events of Termination which may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, no implied covenants or obligations shall be read into this Agreement against the Trustee and, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement;

(ii) the Trustee shall not be personally liable for an error of judgment made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining or investigating the facts related thereto;

(iii) the Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the NIMS Insurer or the Majority Certificateholders relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising or omitting to exercise any trust or power conferred upon the Trustee under this Agreement; and

(iv) the Trustee shall not be charged with knowledge of any failure by the Servicer to comply with the obligations of the Servicer referred to in clauses (i) and (ii) of Section 7.01(a) or any Servicer Event of Termination unless a Responsible Officer of the Trustee at the Corporate Trust Office obtains actual knowledge of such failure or the Trustee receives written notice of such failure from the Servicer, the NIMS Insurer or the Majority Certificateholders. In the absence of such receipt of such notice, the Trustee may conclusively assume that there is no Servicer Event of Termination.

The Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and none of the provisions contained in this Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Servicer under this Agreement, except during such time, if any, as the Trustee shall be the successor to, and be vested with the rights, duties, powers and privileges of, the Servicer in accordance with the terms of this Agreement.

The Trustee shall not have any duty (A) to see to any recording, filing, or depositing of this Agreement or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof, (B) to see to any insurance or (C) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Trust Fund other than from funds available in the Distribution Account.

(b) Upon its receipt from the Sponsor of the "significance estimate" of the Interest Rate Swap Agreement provided in accordance with the Mortgage Loan Purchase Agreement, the Trustee shall, on the basis of each such "significance estimate," calculate the Interest Rate Swap Agreement's "significance percentage" of the of the Pool Balance as of the date of such "significance estimate" in accordance with Item 1115 of Regulation AB. For the avoidance of doubt, such "significance percentage" shall be a fraction, expressed as a percentage, the numerator of which is such "significance estimate" and the denominator of which is the Pool Balance. Further, the Trustee shall determine as of such date whether such "significance percentage" would require disclosure of financial information with respect to the Swap Provider in any report required to be filed with the Commission pursuant to Section 3.31, and if it does, the Trustee shall make a written request of the Swap Provider for such information in accordance with the Interest Rate Swap Agreement, not later than the Business Day following the Business Day on which it receives the related "significance estimate." Upon its receipt of such information, the Trustee shall furnish such information to the Depositor and, if such information is approved by the Depositor, shall include such information in the related report as provided in Section 3.31. In the event the Trustee does not timely receive such information it shall promptly notify the Depositor.

With respect to the failure of the Swap Provider to perform any of its obligations under the Interest Rate Swap Agreement, the breach by the Swap Provider of any of its representations and warranties made pursuant to the Interest Rate Swap Agreement, or the termination of the Interest Rate Swap Agreement, the Trustee shall send any notices and make any demands, on behalf of the Trust, as are required under the Interest Rate Swap Agreement. The Trustee shall cause any replacement swap provider to provide a copy of the related replacement interest rate swap agreement to the Trustee and the Depositor.

Upon the occurrence of a Swap Early Termination (i) to the extent that the Trustee receives a Swap Termination Payment from the Swap Provider, if the Trustee acquires a replacement interest rate swap agreement, the Trustee shall apply all or a portion of such Swap Termination Payment as may be necessary to acquire a replacement swap provider under the replacement interest rate swap agreement prior to distribution of such Swap Termination Payment in accordance with the priorities set forth in this Agreement and (ii) to the extent that a Swap Termination Payment is owed to the Swap Provider, if the Trustee acquires a replacement interest rate swap agreement, the Trustee shall apply all or a



portion of the amount received from any replacement swap provider under a replacement interest rate swap agreement to pay the Swap Termination Payment owed to the Swap Provider.

(c) Subject to the conditions set forth in this Section 8.01(c), the Trustee is permitted to utilize one or more Subcontractors to perform certain of its obligations hereunder. The Trustee shall promptly upon request provide to the Depositor a written description (in form and substance satisfactory to the Depositor) of the role and function of each Subcontractor utilized by the Trustee, specifying (i) the identity of each such Subcontractor that is a Servicing Function Participant and (ii) which elements of the Servicing Criteria will be addressed in Assessments of Compliance provided by each Servicing Function Participant. As a condition to the utilization by the Trustee of any Servicing Function Participant, the Trustee shall cause any such Servicing Function Participant for the benefit of the Depositor to comply with the provisions of Sections 3.20 and 3.31 of this Agreement to the same extent as if such Servicing Function Participant were the Trustee. The Trustee shall be responsible for obtaining from each such Servicing Function Participant and delivering to the applicable Persons any Assessment of Compliance and related Attestation Report required to be delivered by such Servicing Function Participant under Section 3.31, in each case as and when required to be delivered.

Notwithstanding the foregoing, if the Trustee engages a Subcontractor in connection with the performance of any of its duties under this Agreement, the Trustee shall be responsible for determining whether such Subcontractor is an Additional Servicer.

The Trustee shall indemnify the Depositor and the Sponsor and any of their directors, officers, employees or agents and hold them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to a breach of the Trustee's obligation set forth in Section 8.01(b) or 8.01(c).

#### Section 8.02 Certain Matters Affecting the Trustee.

(a) Except as otherwise provided in Section 8.01:

(i) the Trustee may request and rely upon, and shall be protected in acting or refraining from acting upon, any resolution, Officer's Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(iii) the Trustee shall not be under any obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or direction of the Certificateholders or the NIMS Insurer pursuant to the provisions of this Agreement, unless such Certificateholders or the NIMS Insurer shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; the right of the Trustee to perform any discretionary act enumerated in this Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of any such act;

(iv) the Trustee shall not be personally liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement;

(v) prior to the occurrence of a Servicer Event of Termination and after the curing of all Servicer Events of Termination which may have occurred, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or documents, unless requested in writing to do so by the Majority Certificateholders or the NIMS Insurer; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Agreement, the Trustee may require reasonable indemnity against such cost, expense or liability as a condition to such proceeding. The reasonable expense of every such examination shall be paid by the Servicer or, if paid by the Trustee, shall be reimbursed by the Servicer upon demand. Nothing in this clause (v) shall derogate from the obligation of the Servicer to observe any applicable law prohibiting disclosure of information regarding the Mortgagors;

(vi) the Trustee shall not be accountable, have any liability or make any representation as to any acts or omissions hereunder of the Servicer until such time as the Trustee may be required to act as Servicer pursuant to Section 7.02;

(vii) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent, attorney or custodian appointed by it with due care; and

(viii) the right of the Trustee to perform any discretionary act enumerated in this Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of such act.

#### Section 8.03 Trustee Not Liable for Certificates or Mortgage Loans.

The recitals contained herein and in the Certificates (other than the authentication of the Trustee on the Certificates) shall be taken as the statements of the Depositor, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Agreement or of the Certificates (other than the signature and authentication of the Trustee on the Certificates) or of any Mortgage Loan or Related Document. The Trustee shall not be accountable for the use or application by the Servicer, or for the use or application of any funds paid to the Servicer in respect of the Mortgage Loans or deposited in or withdrawn from the Collection Account by the Servicer. The Trustee shall not at any time have any responsibility or liability for or with respect to the legality, validity and enforceability of any Mortgage or any Mortgage Loan, or the perfection and priority of any Mortgage or the maintenance of any such perfection and priority, or for or with respect to the sufficiency of the Trust or its ability to generate the payments to be distributed to Certificateholders under this Agreement, including, without limitation: the existence, condition and ownership of any Mortgaged Property; the existence and enforceability of any hazard insurance thereon (other than if the Trustee shall assume the duties of the Servicer pursuant to Section 7.02); the validity of the assignment of any Mortgage Loan to the Trustee or of any intervening assignment; the completeness of any Mortgage Loan; the performance or enforcement of any Mortgage Loan (other than if the Trustee shall assume the duties of the Servicer pursuant to Section 7.02); the compliance by the Depositor or the Servicer with any warranty or representation made under this Agreement or in any related document or the accuracy of any such warranty or representation prior to the Trustee's receipt of notice or other discovery of any non-compliance therewith or any breach thereof; any investment of monies by or at the direction of the Servicer or any loss resulting therefrom, it being understood that the Trustee shall remain responsible for any Trust property that it may hold in its individual capacity; the acts or omissions of any of the Servicer (other than if the Trustee shall assume the duties of the Servicer pursuant to Section 7.02), or any Mortgagor; any action of the Servicer (other than if the Trustee shall assume the duties of the Servicer pursuant to Section 7.02), taken in the name of the Trustee; the failure of the Servicer to act or perform any duties required of it as agent of the Trustee hereunder; or any action by the Trustee taken at the instruction of the Servicer (other than if the Trustee shall assume the duties of the Servicer pursuant to Section 7.02); provided, however, that the foregoing shall not relieve the Trustee of its obligation to perform its duties under this Agreement. The Trustee shall not have any responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or lien granted to it hereunder.

#### Section 8.04 Trustee May Own Certificates.

The Trustee in its individual or any other capacity may become the owner or pledgee of Certificates with the same rights as it would have if it were not Trustee and may transact any banking and trust business with the Servicer, the Depositor or their Affiliates.

#### Section 8.05 Trustee Compensation and Expenses.

The Trustee shall be entitled to investment income from amounts on deposit in the Distribution Account as compensation for its services hereunder. The Trust shall reimburse the Trustee for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith or which is the responsibility of Certificateholders or the Trustee hereunder. In addition, the Trustee and its officers, directors, employees and agents shall be indemnified by the Trust from, and held harmless against, any and all losses, liabilities, damages, claims or expenses incurred in connection with any legal action relating to this Agreement or the Certificates, other than any loss, liability or expense incurred by reason of willful misfeasance, bad faith or negligence of the Trustee in the performance of its duties hereunder or by reason of the Trustee's reckless disregard of obligations and duties hereunder. This Section shall survive termination of this Agreement or the resignation or removal of any Trustee hereunder.

#### Section 8.06 Eligibility Requirements for Trustee.

The Trustee hereunder shall at all times be an entity duly organized and validly existing under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and a minimum long-term debt rating of BBB by Fitch and S&P and a long term debt rating of at least "Baa1" or better by Moody's and subject to supervision or examination by federal or state authority. If such entity publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this

Section 8.06, the combined capital and surplus of such entity shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The principal office of the Trustee (other than the initial Trustee) shall be in a state with respect to which an Opinion of Counsel has been delivered to such Trustee at the time such Trustee is appointed Trustee to the effect that the Trust will not be a taxable entity under the laws of such state. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.06, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.07.

#### Section 8.07 Resignation or Removal of Trustee.

The Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Depositor, the Servicer, the NIMS Insurer and each Rating Agency. Upon receiving such notice of resignation, the Depositor shall promptly appoint a successor Trustee reasonably acceptable to the NIMS Insurer by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and having accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 8.06 and shall fail to resign after written request

therefor by the Depositor or the NIMS Insurer, or if at any time the Trustee shall be legally unable to act, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of their property shall be appointed, or any public officer shall take charge or control of the Trustee or of their property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Depositor or the NIMS Insurer may remove the Trustee. If the Depositor or the NIMS Insurer removes the Trustee under the authority of the immediately preceding sentence, the Depositor or the NIMS Insurer, as the case may be, shall promptly appoint a successor Trustee (reasonably acceptable to the NIMS Insurer if appointed by the Depositor) by written instrument, in duplicate, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee.

In addition, if (a) the Trustee fails to comply with its obligations to deliver any Assessment of Compliance or Attestation Reports required pursuant to Section 3.20 or (b) any Servicing Function Participant engaged by the Trustee fails to comply with its obligations to deliver any Assessment of Compliance or Attestation Reports, the Depositor may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee.

The Majority Certificateholders or the NIMS Insurer may at any time remove the Trustee by written instrument or instruments delivered to the Servicer, the Depositor, the NIMS Insurer and the Trustee; the Depositor shall thereupon use its best efforts to appoint a successor Trustee reasonably acceptable to the NIMS Insurer in accordance with this Section.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 8.07 shall not become effective until acceptance of appointment by the successor Trustee as provided in Section 8.08.

#### Section 8.08 Successor Trustee.

Any successor Trustee appointed as provided in Section 8.07 shall execute, acknowledge and deliver to the Depositor, the NIMS Insurer, the Rating Agencies, the Servicer and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective, and such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee. The Depositor, the Servicer and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Trustee all such rights, powers, duties and obligations.

No successor Trustee shall accept appointment as provided in this Section 8.08 unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of Section 8.06 and the appointment of such successor Trustee shall not result in a downgrading of the Regular Certificates by either Rating Agency, as evidenced by a letter from each Rating Agency.

Upon acceptance of appointment by a successor Trustee as provided in this Section 8.08, the successor Trustee shall mail notice of the appointment of a successor Trustee hereunder to all Holders of Certificates at their addresses as shown in the Certificate Register and to each Rating Agency.

The predecessor Trustee and successor Trustee shall notify the Depositor of any such appointment at least two Business Days prior to the effective date thereof and shall provide the Depositor with all information required by the Depositor to comply with its reporting obligation under Item 6.02 of Form 8-K not later than the effective date of such appointment.

#### Section 8.09 Merger or Consolidation of Trustee.

Any entity into which the Trustee may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any entity succeeding to the business of the Trustee, shall be the successor of the hereunder, provided such entity shall be eligible under the provisions of Section 8.06 and 8.08, 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; provided, however, that the Trustee and such surviving Person shall notify the Depositor of any such merger, conversion or consolidation and shall provide the Depositor with all information required by the Depositor to comply with its reporting obligation under Item 6.02 of Form 8-K not later than the effective date of such merger, conversion or consolidation.

#### Section 8.10 Appointment of Co-Trustee or Separate Trustee.

Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust or any Mortgaged Property may at the time be located, the Depositor and the Trustee acting jointly shall have the power and shall execute and deliver all instruments to appoint one or more Persons approved by the Trustee and the NIMS Insurer to act as co-trustee or co-trustees, jointly with the Trustee, or separate trustee or separate trustees, of all or any part of the Trust, and to vest in such Person or Persons, in such capacity and for the benefit of the Certificateholders, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section 8.10, such powers, duties, obligations, rights and trusts as the Servicer and the Trustee may consider necessary or desirable. Any such co-trustee or separate trustee shall be subject to the written approval of the Servicer and the NIMS Insurer. If the Servicer and the NIMS Insurer shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in the case a Servicer Event of Termination shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor Trustee under Section 8.06, and no notice to

Certificateholders of the appointment of any co-trustee or separate trustee shall be required under Section 8.08.

Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed (whether as Trustee hereunder or as successor to the Servicer hereunder), the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be held personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Servicer and the Trustee, acting jointly may at any time accept the resignation of or remove any separate trustee or co-trustee except that following the occurrence of a Servicer Event of Termination, the Trustee acting alone may accept the resignation or remove any separate trustee or co-trustee.

Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article VIII. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee and a copy thereof given to the Depositor, the NIMS Insurer, the Rating Agencies and the Servicer.

Any separate trustee or co-trustee may, at any time, constitute the Trustee, its agent or attorney-in-fact, with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor Trustee.

#### Section 8.11 Limitation of Liability.

The Certificates are executed by the Trustee, not in its individual capacity but solely as Trustee of the Trust, in the exercise of the powers and authority conferred and vested in it by this Agreement. Each of the undertakings and agreements made on the part of the Trustee in the Certificates is made and intended not as a personal undertaking or agreement by the Trustee but is made and intended for the purpose of binding only the Trust.

#### Section 8.12 Trustee May Enforce Claims Without Possession of Certificates.

(a) All rights of action and claims under this Agreement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and such proceeding instituted by the Trustee shall be brought in its own name or in its capacity as Trustee for the benefit of all Holders of such Certificates, subject to the provisions of this Agreement. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursement and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Certificateholders in respect of which such judgment has been recovered.

(b) The Trustee shall afford the Depositor, the Servicer, the NIMS Insurer and each Certificateholder upon reasonable notice during normal business hours, access to all records maintained by the Trustee in respect of its duties hereunder and access to officers of the Trustee responsible for performing such duties. The Trustee shall cooperate fully with the Servicer, the NIMS Insurer, the Depositor and such Certificateholder and shall make available to the Servicer, the NIMS Insurer, the Depositor and such Certificateholder for review and copying at the expense of the party requesting such copies, such books, documents or records as may be requested with respect to the Trustee's duties hereunder. The Depositor, the Servicer, the NIMS Insurer and the Certificateholders shall not have any responsibility or liability for any action or failure to act by the Trustee and are not obligated to supervise the performance of the Trustee under this Agreement or otherwise.

#### Section 8.13 Suits for Enforcement.

In case a Servicer Event of Termination or other default by the Servicer hereunder shall occur and be continuing, the Trustee may proceed to protect and enforce its rights and the rights of the Certificateholders under this Agreement by a suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Agreement or in aid of the execution of any power granted in this Agreement or for the enforcement of any other legal, equitable or other remedy, as the Trustee, being advised by counsel, and subject to the foregoing, shall deem most effectual to protect and enforce any of the rights of the Trustee and the Certificateholders.

The Trustee shall be relieved of, and each Certificateholder hereby waives, any requirement of any jurisdiction in which the Trust, or any part thereof, may be located that the Trustee post a bond or other surety with any court, agency or body whatsoever.

Section 8.15 Waiver of Inventory, Accounting and Appraisal Requirement.

The Trustee shall be relieved of, and each Certificateholder hereby waives, any requirement of any jurisdiction in which the Trust, or any part thereof, may be located that the Trustee file any inventory, accounting or appraisal of the Trust with any court, agency or body at any time or in any manner whatsoever.

## ARTICLE IX

### REMIC AND GRANTOR TRUST ADMINISTRATION

Section 9.01 REMIC Administration.

(a) The Trustee shall (i) make or cause to be made REMIC elections for each of REMIC 1, REMIC 2, REMIC 3, REMIC 4 and REMIC 5 as set forth in the Preliminary Statement on Forms 1066 or other appropriate federal tax or information return for the taxable year ending on the last day of the calendar year in which the Certificates are issued, and (ii) file Form 8811, or other applicable form, within 30 days of the Closing Date (or such other period as may be allowed by applicable law), indicating the name, title, address and telephone number of the Person who will serve as the representative of REMIC 4 and REMIC 5. The regular interests and residual interest in each REMIC shall be as designated in the Preliminary Statement.

(b) The Closing Date is hereby designated as the "Startup Day" of each REMIC within the meaning of section 860G(a)(9) of the Code.

(c) The Trustee shall pay any and all tax related expenses (not including taxes) of each REMIC, including but not limited to any professional fees or expenses related to audits or any administrative or judicial proceedings with respect to such REMIC that involve the Internal Revenue Service or state tax authorities, but only to the extent that (i) such expenses are ordinary or routine expenses, including expenses of a routine audit but not expenses of litigation (except as described in (ii)); or (ii) such expenses or liabilities (including taxes and penalties) are attributable to the negligence or willful misconduct of the Trustee in fulfilling its duties hereunder. The Trustee shall be entitled to reimbursement of expenses other than those expenses described in clause (i) or (ii) above from the Trust.

(d) The Trustee shall prepare or cause to be prepared, sign and file or cause to be filed, each REMIC's federal and state tax and information returns as such REMIC's direct representative. The expenses of preparing and filing such returns shall be borne by the Trustee.

(e) The Holder of the Class R Certificate shall be the "tax matters person" as defined in the REMIC Provisions (the "Tax Matters Person") with respect to each of REMIC 1, REMIC 2, REMIC 3 and REMIC 4. The Holder of the Class R-X Certificate shall be the Tax Matters Person with respect to REMIC 5. The Trustee is irrevocably designated as and shall act as attorney-in-fact and agent for each such Tax Matters Person. The Trustee, as agent for each such Tax Matters Person, shall perform, on behalf of each REMIC, all reporting and other tax compliance duties that are the responsibility of such REMIC under the Code, the REMIC Provisions, or other compliance guidance issued by the Internal Revenue Service or any state or local taxing authority. Among its other duties, if required by the Code, the REMIC Provisions, or other such guidance, the Trustee, as agent for each such Tax Matters Person, shall provide (i) to the Treasury or other governmental authority such information as is necessary for the application of any tax relating to the transfer of a Residual Certificate to any disqualified person or organization and (ii) to the Certificateholders such information or reports as are required by the Code or REMIC Provisions.

(f) The Trustee, the Servicer, and the Holders of Certificates shall take any action or cause any REMIC formed under this Agreement to take any action necessary to create or maintain the status of such REMIC as a REMIC under the REMIC Provisions and shall assist each other as necessary to create or maintain such status. None of the Trustee, the Servicer or the Holder of a Residual Certificate shall take any action or cause any REMIC formed under this Agreement 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 such REMIC as a REMIC or (ii) result in the imposition of a tax upon such REMIC (including but not limited to the tax on prohibited transactions as defined in Code Section 860F(a)(2) and the tax on prohibited contributions set forth on Section 860G(d) of the Code) (either such event, an "Adverse REMIC Event") unless the Trustee, the NIMS Insurer and the Servicer have received an Opinion of Counsel (at the expense of the party seeking to take such action) to the effect that the contemplated action will not endanger such status or result in the imposition of such a tax. In addition, prior to taking any action with respect to any REMIC formed under this Agreement or the assets therein, or causing such REMIC to take any action, which is not expressly permitted under the terms of this Agreement, any Holder of a Residual Certificate will consult with the Trustee, the NIMS Insurer and the Servicer, or their respective designees, in writing, with respect to whether such action could cause an Adverse REMIC Event to occur with respect to such REMIC, and no such Person shall take any such action or cause such REMIC to take any such action as to which the Trustee, the NIMS Insurer or the Servicer has advised it in writing that an Adverse REMIC Event could occur.

(g) The Holder of a Residual Certificate shall pay when due any and all taxes imposed on any REMIC formed under this Agreement by federal or state governmental authorities, but only from amounts, if any, distributable thereon. To the extent that such REMIC taxes are not paid by a Residual Certificateholder, the Trustee shall pay any remaining REMIC taxes out of future amounts otherwise distributable to the Holder of a

Residual Certificate or, if no such amounts are available, out of other amounts held in the Distribution Account, and shall reduce amounts otherwise payable to Holders of the REMIC Regular Interests or the Certificates, as the case may be.

(h) The Trustee, shall, for federal income tax purposes, maintain or cause to be maintained books and records with respect to each REMIC formed under this Agreement on a calendar year and on an accrual basis.

(i) No additional contributions of assets shall be made to any REMIC, except as expressly provided in this Agreement with respect to Eligible Substitute Mortgage Loans.

(j) Neither the Trustee nor the Servicer shall enter into any arrangement by which any REMIC will receive a fee or other compensation for services.

(k) On or before April 15 of each calendar year, beginning in 2006, the Trustee shall deliver to each Rating Agency and the NIMS Insurer an Officer's Certificate stating the Trustee's compliance with the provisions of this Section 9.01.

#### Section 9.02 Prohibited Transactions and Activities.

None of the Depositor, the Servicer or the Trustee shall sell, dispose of, or substitute for any of the Mortgage Loans, except in a disposition pursuant to (i) the foreclosure of a Mortgage Loan, (ii) the bankruptcy of the Trust Fund, (iii) the termination of any REMIC pursuant to Article X of this Agreement, (iv) a substitution pursuant to Article II of this Agreement, or (v) a repurchase of Mortgage Loans pursuant to Article II of this Agreement, nor acquire any assets for any REMIC constituting part of the Trust Fund, nor sell or dispose of any investments in the Distribution Account for gain, nor accept any contributions to any REMIC constituting part of the Trust Fund after the Closing Date, unless such party and the NIMS Insurer has received an Opinion of Counsel (at the expense of the party causing such sale, disposition, or substitution) that such disposition, acquisition, substitution, or acceptance will not (a) affect adversely the status of such REMIC as a REMIC or of the interests therein other than a Residual Certificate as the regular interests therein, (b) affect the distribution of interest or principal on the Certificates, (c) result in the encumbrance of the assets transferred or assigned to the Trust Fund (except pursuant to the provisions of this Agreement) or (d) cause such REMIC to be subject to a tax on prohibited transactions or prohibited contributions pursuant to the REMIC Provisions.

#### Section 9.03 Indemnification with Respect to Certain Taxes and Loss of REMIC Status.

In the event that any REMIC formed hereunder fails to qualify as a REMIC, loses its status as a REMIC, or incurs federal, state or local taxes as a result of a prohibited transaction or prohibited contribution under the REMIC Provisions due to the negligent performance by the Servicer of its duties and obligations set forth herein, the Servicer shall indemnify the Holder of a Residual Certificate against any and all losses, claims, damages, liabilities or expenses ("Losses") resulting from such negligence; provided, however, that the Servicer shall not be liable for any such Losses attributable to the action or inaction of the Trustee, the Depositor or the Holder of a Residual Certificate, as applicable, nor for any such Losses resulting from misinformation provided by the Holder of a Residual Certificate on which the Servicer has relied. The foregoing shall not be deemed to limit or restrict the rights and remedies of the Holder of a Residual Certificate now or hereafter existing at law or in equity. Notwithstanding the foregoing, however, in no event shall the Servicer have any liability (1) for any action or omission that is taken in accordance with and in compliance with the express terms of, or which is expressly permitted by the terms of, this Agreement, (2) for any Losses other than arising out of a negligent performance by the Servicer of its duties and obligations set forth herein, and (3) for any special or consequential damages to Certificateholders (in addition to payment of principal and interest on the Certificates).

#### Section 9.04 REO Property.

(a) Subject to compliance with applicable laws and regulations as shall at any time be in force, and notwithstanding any other provision of this Agreement, the Servicer, acting on behalf of the Trust hereunder, shall not rent, lease, or otherwise earn income on behalf of any REMIC with respect to any REO Property which might cause such REO Property to fail to qualify as "foreclosure" property within the meaning of section 860G(a)(8) of the Code or result in the receipt by any REMIC of any "income from non-permitted assets" within the meaning of section 860F(a)(2) of the Code or any "net income from foreclosure property" which is subject to tax under the REMIC Provisions unless the Servicer has advised, or has caused the applicable Servicer to advise, the Trustee in writing to the effect that, under the REMIC Provisions, such action would not adversely affect the status of any REMIC as a REMIC and any income generated for such REMIC by the REO Property would not result in the imposition of a tax upon such REMIC.

(b) The Servicer shall make reasonable efforts to sell any REO Property for its fair market value. In any event, however, the Servicer shall dispose of any REO Property before the close of the third calendar year beginning after the year of its acquisition by the Trust Fund unless the Servicer has received a grant of extension from the Internal Revenue Service to the effect that, under the REMIC Provisions and any relevant proposed legislation and under applicable state law, any REMIC constituting part of the Trust Fund may hold REO Property for a longer period without adversely affecting its REMIC status or causing the imposition of a Federal or state tax upon any REMIC constituting part of the Trust Fund. If the Servicer has received such an extension, then the Servicer shall continue to attempt to sell the REO Property for its fair market value as determined in good faith by the Servicer for such longer period as such extension permits (the "Extended Period"). If the Servicer has not received such an extension and the Servicer is unable to sell the REO Property within 33 months after its acquisition by the Trust Fund or if the Servicer has received such an extension, and the Servicer is unable to sell the REO Property within the period ending three months before the close of the Extended Period, the Servicer shall, before the end of the applicable period,

(i) purchase such REO Property at a price equal to the REO Property's fair market value as determined in good faith by the Servicer or (ii)

auction the REO Property to the highest bidder (which may be the Servicer) in an auction reasonably designed to produce a fair price prior to the expiration of the applicable period.

#### Section 9.05 Grantor Trust Administration.

The parties intend that the portions of the Trust Fund consisting of (i) the right of the Class P Certificates to receive Prepayment Charges, Originator Prepayment Charge Payment Amounts and Servicer Prepayment Charge Payment Amounts, (ii) the right of the Offered Certificates and the Class B Certificates to receive Cap Carryover Amounts and (iii) the Interest Rate Swap Agreement, the Swap Account and the beneficial interest of the Class CE Certificates with respect thereto subject to the obligation of the Class CE Certificates to pay Cap Carryover Amounts shall be treated as a "grantor trust" under the Code, and the provisions hereof shall be interpreted consistently with this intention. In furtherance of such intention, the Trustee shall furnish or cause to be furnished (x) to the Holders of the Offered Certificates and the Class B Certificates, (y) to the Holders of the Class P Certificates and (z) to the Holder of the Class CE Certificates and shall file or cause to be filed with the Internal Revenue Service together with Form 1041 or such other form as may be applicable, their allocable shares of income and expenses with respect to the property held by the Grantor Trust, at the time or times and in the manner required by the Code.

### ARTICLE X

#### TERMINATION

##### Section 10.01 Termination.

(a) The respective obligations and responsibilities of the Servicer, the Depositor, the Trustee and the Certificate Registrar created hereby (other than the obligation of the Trustee to make certain payments to Certificateholders after the final Distribution Date and the obligation of the Servicer to send certain notices as hereinafter set forth) shall terminate upon notice to the Trustee upon the earliest of (i) the Distribution Date on which the Certificate Principal Balance of each Class of Certificates has been reduced to zero, (ii) the final payment or other liquidation of the last Mortgage Loan in the Trust, and (iii) the optional purchase by the NIMS Insurer, if there is a NIMS Insurer, or if there is no NIMS Insurer, the Majority Class CE Certificateholders (or if such holder is the Seller, or an affiliate of the Seller, the Servicer of the Mortgage Loans) as described below. Notwithstanding the foregoing, in no event shall the trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, the late ambassador of the United States to the Court of St. James, living on the date hereof.

The NIMS Insurer, if there is a NIMS Insurer, or if there is no NIMS Insurer, the Majority Class CE Certificateholders (and, if such holder is the Seller or an affiliate of the Seller, the Servicer of the Mortgage Loans) may, at its option, terminate the Trust Fund and retire the Certificates on the Distribution Date following the Distribution Date upon which the aggregate current Pool Balance is less than 10% of the sum of the aggregate Pool Balance of the Initial Mortgage Loans as of the Cut-off Date and the Original Group 3 Pre-Funded Amount by purchasing all of the outstanding Mortgage Loans and REO Properties in the Trust Fund at a price equal to (i) the sum of the outstanding Principal Balance of the Mortgage Loans and except to the extent previously advanced by the Servicer, accrued and unpaid interest thereon at the weighted average of the Mortgage Interest Rates through the end of the Collection Period preceding the final Distribution Date plus unreimbursed Servicing Advances, Advances and any unpaid Servicing Fees allocable to such Mortgage Loans, (ii) the fair market value of the REO Properties as determined in good faith by the Servicer and (iii) any Swap Termination Payment owed to the Swap Provider not due to a Swap Provider Trigger Event pursuant to the Interest Rate Swap Agreement (the "Termination Price"). If the NIMS Insurer or the Majority Class CE Certificateholders (or, if the Majority Class CE Certificateholder is the Seller or an affiliate of the Seller, the Servicer) is subject to regulation by the OCC, the FDIC, the Federal Reserve or the Office of Thrift Supervision, however, the option may not be exercised unless the aggregate fair market value of the Mortgage Loans and REO Properties is greater than or equal to the Termination Price. Notwithstanding the foregoing, no party may exercise this optional purchase right unless any Reimbursement Amount owed to the Trust pursuant to Section 2.03 hereof has been paid.

In connection with any such purchase pursuant to the preceding paragraph, the Servicer shall deliver to the Trustee for deposit in the Distribution Account all amounts then on deposit in the Collection Account (less amounts permitted to be withdrawn by the Servicer pursuant to Section 3.07), which deposit shall be deemed to have occurred immediately following such purchase.

Any such purchase shall be accomplished by delivery on the Determination Date before such Distribution Date of the Termination Price to the Trustee for deposit into the Distribution Account as part of Available Funds.

(b) Notice of any termination, specifying the Distribution Date (which shall be a date that would otherwise be a Distribution Date) upon which the Certificateholders may surrender their Certificates to the Trustee for payment of the final distribution and cancellation, shall be given promptly by the Trustee upon the Trustee receiving notice of such date from the NIMS Insurer, the Majority Class CE Certificateholders or the Servicer, as applicable, by letter to the Certificateholders mailed not earlier than the 15th day of the month preceding the month of such final distribution and not later than the 15th day of the month of such final distribution specifying (1) the Distribution Date upon which final distribution of the Certificates will be made upon presentation and surrender of such Certificates at the office or agency of the Trustee therein designated, (2) the amount of any such final distribution and (3) that the Record Date otherwise applicable to such Distribution Date is not applicable, distributions being made only upon presentation and surrender of the Certificates at the office or agency of the Trustee therein specified. Not less than five (5) Business Days prior to such Determination Date relating to such Distribution Date, the Trustee shall notify the Originators and the Seller of the amount of any unpaid Reimbursement Amount owed to the Trust.

(c) Upon presentation and surrender of the Certificates, the Trustee shall cause to be distributed to the Holders of the Certificates on the Distribution Date for such final distribution, in proportion to the Percentage Interests of their respective Class and to the extent that funds are available for such purpose, an amount equal to the amount required to be distributed to such Holders in accordance with the provisions of Sections 4.01 and 4.02 for such Distribution Date.

(d) In the event that all Certificateholders shall not surrender their Certificates for final payment and cancellation on or before such final Distribution Date, the Trustee shall promptly following such date cause all funds in the Distribution Account not distributed in final distribution to Certificateholders to be withdrawn therefrom and credited to the remaining Certificateholders by depositing such funds in a separate escrow account for the benefit of such Certificateholders, and the Servicer shall give a second written notice to the remaining Certificateholders, to surrender their Certificates for cancellation and receive the final distribution with respect thereto. If within nine months after the second notice all the Certificates shall not have been surrendered for cancellation, a Residual Certificateholder shall be entitled to all unclaimed funds and other assets which remain subject hereto (except with respect to the Class CE and Class P Certificates) and the Trustee upon transfer of such funds shall be discharged of any responsibility for such funds, and all other Certificateholders shall look to a Residual Certificateholder for payment.

#### Section 10.02 Additional Termination Requirements.

(a) In the event that the NIMS Insurer, the Majority Class CE Certificateholders or the Servicer, as applicable, exercise its purchase option as provided in Section 10.01, the Trust shall be terminated in accordance with the following additional requirements, unless the Trustee shall have been furnished with an Opinion of Counsel to the effect that the failure of the Trust to comply with the requirements of this Section will not (i) result in the imposition of taxes on "prohibited transactions" of the Trust as defined in Section 860F of the Code or (ii) cause any REMIC constituting part of the Trust Fund to fail to qualify as a REMIC at any time that any Certificates (other than the Class P Certificates) are outstanding:

(i) The Trustee shall designate a date within 90 days prior to the final Distribution Date as the date of adoption of plans of complete liquidation of each of REMIC 1, REMIC 2, REMIC 3, REMIC 4 and REMIC 5 and shall specify such date in the final federal income tax return of each REMIC;

(ii) After the date of adoption of such plans of complete liquidation and at or prior to the final Distribution Date, the Trustee shall sell all of the assets of the Trust to the Majority Class CE Certificateholders or the Servicer, as applicable, for cash; and

(iii) At the time of the making of the final payment on the Certificates, the Trustee shall distribute or credit, or cause to be distributed or credited in the order of priority set forth in Section 4.02 and then to the Holders of the Class R Certificates, all cash on hand in respect of the REMIC 1, REMIC 2, REMIC 3 and REMIC 4, or to the Holders of the Class R-X Certificates, all cash on hand in respect of the REMIC 5, after such payment (other than cash retained to meet claims) and the Trust shall terminate at such time.

(b) By their acceptance of Certificates, the Holders thereof hereby agree to appoint the Trustee as their attorney in fact to: (i) designate such date of adoption of plans of complete liquidation and (ii) to take such other action in connection therewith as may be reasonably required to carry out such plans of complete liquidation all in accordance with the terms hereof.

## ARTICLE XI

### MISCELLANEOUS PROVISIONS

#### Section 11.01 Amendment.

This Agreement may be amended from time to time by the Depositor, the Servicer and the Trustee; with the consent of the NIMS Insurer and without the consent of the Certificateholders, (i) to cure any ambiguity or mistake, (ii) to correct, modify or supplement any provision herein which may be inconsistent with any other provision herein or the Prospectus Supplement, (iii) to make any other provisions with respect to matters or questions arising under this Agreement, which shall not be inconsistent with the provisions of this Agreement, (iv) to comply with any requirements imposed by the Code, (v) to conform the obligations of the parties under this Agreement, or to add obligations of the parties to this Agreement, if necessary, to comply with the requirements of Regulation AB or (vi) to provide for the rights of the NIMS Insurer; provided, however, that any such action listed in clause (iii) above shall not adversely affect in any respect the interests of any Certificateholder, as evidenced by (i) notice in writing to the Depositor, the Servicer and the Trustee from the Rating Agencies that such action will not result in the reduction or withdrawal of the rating of any outstanding Class of Certificates with respect to which it is a Rating Agency, or (ii) an Opinion of Counsel delivered to the Servicer and the Trustee.

In addition, this Agreement may be amended from time to time by the Depositor, the Servicer and the Trustee, with the consent of the NIMS Insurer and the Majority Certificateholders for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Swap Provider or the Holders of Certificates; provided, however, that no such amendment or waiver shall (x) reduce in any manner the amount of, or delay the timing of, payments on the Certificates which are required to be made on any Certificate without the consent of the Holder of such Certificate, (y) adversely affect in any material respect the interests of the Holders of any Class of Certificates or the Swap Provider in a manner other than as described in clause (x) above, without the consent of the Holders of Certificates of such Class evidencing at least 66 2/3% of the Voting Rights evidenced by such Class, or (z) reduce the



percentage of Voting Rights required by clause (y) above without the consent of the Holders of all Certificates of such Class then outstanding. Upon approval of an amendment, a copy of such amendment shall be sent to the Rating Agencies. Prior to the execution of any amendment to this Agreement, the Trustee shall be entitled to receive and rely upon an Opinion of Counsel (at the expense of the Person seeking such amendment) stating that the execution of such amendment is authorized or permitted by this Agreement. The Trustee may, but shall not be obligated to, enter into any such amendment which affects the Trustee's own rights, duties or immunities under this Agreement.

Notwithstanding any provision of this Agreement to the contrary, neither the Trustee nor the NIMS Insurer shall consent to any amendment to this Agreement unless it shall have first received an Opinion of Counsel, delivered by (and at the expense of) the Person seeking such Amendment, to the effect that such amendment will not result in the imposition of a tax on any REMIC constituting part of the Trust Fund pursuant to the REMIC Provisions or cause any REMIC constituting part of the Trust Fund to fail to qualify as a REMIC at any time that any Certificates (other than the Class P Certificates) are outstanding and that the amendment is being made in accordance with the terms hereof.

Notwithstanding any of the other provisions of this Section 11.01, none of the Depositor, the Servicer or the Trustee shall enter into any amendment to Sections 4.01, 4.02 or 4.09 of this Agreement without the prior written consent of the Swap Provider.

Promptly after the execution of any such amendment the Trustee shall furnish, at the expense of the Person that requested the amendment if such Person is the Servicer (but in no event at the expense of the Trustee), otherwise at the expense of the Trust, a copy of such amendment and the Opinion of Counsel referred to in the immediately preceding paragraph to the Servicer and each Rating Agency.

It shall not be necessary for the consent of Certificateholders under this Section 11.01 to approve the particular form of any proposed amendment; instead it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents and of evidencing the authorization of the execution thereof by Certificateholders shall be subject to such reasonable regulations as the Trustee may prescribe.

#### Section 11.02 Recordation of Agreement; Counterparts.

To the extent permitted by applicable law, this Agreement is subject to recordation in all appropriate public offices for real property records in all the counties or other comparable jurisdictions in which any or all of the properties subject to the Mortgages are situated, and in any other appropriate public recording office or elsewhere, such recordation to be effected by the Servicer at the expense of the Trust, but only upon direction of Certificateholders, accompanied by an Opinion of Counsel to the effect that such recordation materially and beneficially affects the interests of the Certificateholders.

For the purpose of facilitating the recordation of this Agreement as herein provided and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

#### Section 11.03 Limitation on Rights of Certificateholders.

The death or incapacity of any Certificateholder shall not (i) operate to terminate this Agreement or the Trust, (ii) entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of the Trust, or (iii) otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

Except as expressly provided for herein, no Certificateholder shall have any right to vote or in any manner otherwise control the operation and management of the Trust, or the obligations of the parties hereto, nor shall anything herein set forth or contained in the terms of the Certificates be construed so as to constitute the Certificateholders from time to time as partners or members of an association; nor shall any Certificateholder be under any liability to any third person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

No Certificateholder shall have any right by virtue of any provision of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Holder previously shall have given to the Trustee a written notice of default and of the continuance thereof, as herein provided, and unless also the Holders of Certificates having not less than 51% of the Voting Rights shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding. It is understood and intended, and expressly covenanted by each Certificateholder with every other Certificateholder and the Trustee, that no one or more Holders of Certificates shall have any right in any manner whatever by virtue of any provision of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of such Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, which priority or preference is not otherwise provided for herein, or to enforce any right under this Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section 11.03 each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

#### Section 11.04 Governing Law; Jurisdiction.

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. With respect to any claim arising out of this Agreement, each party irrevocably submits to the exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in The City of New York, and each party irrevocably waives any objection which it may have at any time to the laying of venue of any suit, action or proceeding arising out of or relating hereto brought in any such courts, irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in any inconvenient forum and further irrevocably waives the right to object, with respect to such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over such party, provided that service of process has been made by any lawful means.

#### Section 11.05 Notices.

All directions, demands and notices hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by first class mail, postage prepaid, or by express delivery service, to (a) in the case of the Trustee, Wells Fargo Bank, N.A., P.O. Box 98, Columbia, Maryland 21046, Attention: Corporate Trust Services - ABFC 2006-OPT1 with a copy to: (i) Wells Fargo Bank, N.A., 9062 Old Annapolis Road, Columbia, Maryland 21045, Attention: Corporate Trust Services - ABFC 2006-OPT1 and (ii) Wells Fargo Bank, N.A., Sixth Street and Marquette Avenue, Minneapolis, Minnesota 55479, Attention: Corporate Trust Services - ABFC 2006-OPT1, or such other address as may hereafter be furnished to the Depositor, the NIMS Insurer and the Servicer in writing by the Trustee, (b) in the case of the Depositor, Asset Backed Funding Corporation, 214 North Tryon Street, 21st Floor, Charlotte, North Carolina 28255, Attention: ABFC Asset-Backed Certificates, Series 2006-OPT1, or such other address as may be furnished to the Servicer, the NIMS Insurer and the Trustee in writing by the Depositor, (c) in the case of the Servicer, Option One Mortgage Corporation, 3 Ada, Irvine, California 92618, Attention: Debbie Lonergan, Facsimile: (949) 790-7514, or such other address as may be hereafter furnished to the Depositor, the NIMS Insurer and the Trustee by the Servicer in writing and (d) in the case of the NIMS Insurer, such address furnished to the Depositor, the Servicer and the Trustee in writing by the NIMS Insurer. Any notice required or permitted to be mailed to a Certificateholder shall be given by first class mail, postage prepaid, at the address of such Holder as shown in the Certificate Register. Notice of any Servicer Event of Termination shall be given by telecopy and by certified mail. Any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have duly been given when mailed, whether or not the Certificateholder receives such notice. A copy of any notice required to be telecopied hereunder shall also be mailed to the appropriate party in the manner set forth above.

#### Section 11.06 Severability of Provisions.

If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or the rights of the Holders thereof.

#### Section 11.07 Article and Section References.

All article and section references used in this Agreement, unless otherwise provided, are to articles and sections in this Agreement.

#### Section 11.08 Notice to the Rating Agencies and the NIMS Insurer.

(a) Each of the Trustee and the Servicer shall be obligated to use its best reasonable efforts promptly to provide notice to the Rating Agencies and the NIMS Insurer with respect to each of the following of which a Responsible Officer of the Trustee or the Servicer, as the case may be, has actual knowledge:

- (i) any material change or amendment to this Agreement;
- (ii) the occurrence of any Servicer Event of Termination that has not been cured or waived;
- (iii) the resignation or termination of the Servicer or the Trustee;
- (iv) the final payment to Holders of the Certificates of any Class;
- (v) any change in the location of any Account; and
- (vi) if the Trustee is acting as successor servicer pursuant to Section 7.02 hereof, any event that would result in the inability of the Trustee to make Advances.
- (vii) In addition, the Servicer shall promptly furnish to each Rating Agency copies of the following:
  - (A) each annual statement as to compliance described in Section 3.19 hereof;

(B) each annual independent public accountants' servicing report described in Section 5.20 hereof, and

(C) each notice delivered pursuant to Section 7.01(a) hereof which relates to the fact that the Servicer has not made an Advance.

Any such notice pursuant to this Section 11.08 shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by first class mail, postage prepaid, or by express delivery service to:  
Fitch Ratings, One State Street Plaza, New York, New York 10004, Attention:  
Managing Director, Residential Mortgage-Backed Securities; Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, Attention: Managing Director, Residential Mortgage-Backed Securities; and Standard & Poor's, a division of The McGraw-Hill Companies, Inc., 55 Water Street, 41st Floor, New York, New York 10041, Attention: Mortgage Surveillance Group.

#### Section 11.09 Further Assurances.

Notwithstanding any other provision of this Agreement, neither the Regular Certificateholders nor the Trustee shall have any obligation to consent to any amendment or modification of this Agreement unless they have been provided reasonable security or indemnity against their out-of-pocket expenses (including reasonable attorneys' fees) to be incurred in connection therewith.

#### Section 11.10 Third Party Beneficiary.

Nothing in this Agreement or in the Certificates, expressed or implied, shall give to any Person, other than the Certificateholders, the parties hereto and the NIMS Insurer and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

The NIMS Insurer shall be deemed a third-party beneficiary of this Agreement to the same extent as if it were a party hereto, and shall have the right to enforce the provisions of this Agreement directly against the parties to this Agreement.

The Swap Provider shall be deemed an express third-party beneficiary of this Agreement to the same extent as if it were a party hereto, and shall have the right to enforce the provisions of this Agreement directly against the parties to this Agreement.

#### Section 11.11 Acts of Certificateholders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by the Certificateholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Certificateholders in person or by agent duly appointed in writing; and such action shall become effective when such instrument or instruments are delivered to the Trustee and the Servicer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "act" of the Certificateholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Agreement and conclusive in favor of the Trustee and the Trust, if made in the manner provided in this Section 11.11.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Whenever such execution is by a signer acting in a capacity other than his or her individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other action by any Certificateholder shall bind every future Holder of such Certificate and the Holder of every Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee or the Trust in reliance thereon, whether or not notation of such action is made upon such Certificate.

#### Section 11.12 Insolvency.

The Servicer, Depositor and Trustee shall each notify the Depositor and the Trustee of any of the events enumerated in Item 1.03 of Form 8-K with respect to any of the Servicer, Depositor or Trustee at least two Business Days prior to the effective date thereof and shall provide the Depositor and the Trustee with all information required by the Depositor to comply with its reporting obligation under Item 1.03 of Form 8-K not later than the effective date of any such event.

#### Section 11.13 Regulation AB Compliance; Intent of Parties; Reasonableness.

The parties hereto acknowledge 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 agree to comply with requests made by the Depositor and the Trustee in good faith for delivery of information under these provisions on the basis of evolving interpretations of Regulation AB. In connection with the Trust, the Servicer and the Trustee shall cooperate fully with the Depositor to deliver to the Depositor and the Trustee (including its assignees or designees), any and all statements, reports, certifications, records and any other information available to such party and reasonably necessary in the good faith determination of the

Depositor and the Trustee to permit the Depositor to comply with the provisions of Regulation AB, together with such disclosures relating to the Servicer and the Trustee, as applicable, reasonably believed by the Depositor to be necessary in order to effect such compliance.

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

**ASSET BACKED FUNDING  
CORPORATION, as Depositor**

By: /s/ Juanita Deane-Warner

-----  
Name: Juanita Deane-Warner  
Title: Vice President

**OPTION ONE MORTGAGE CORPORATION,  
as Servicer**

By: /s/ Philip Laren

-----  
Name: Philip Laren  
Title: Senior Vice President

**WELLS FARGO BANK, N.A., as Trustee**

By: /s/ Peter A. Gobell

-----  
Name: Peter A. Gobell  
Title: Vice President



STATE OF MARYLAND )  
 ) ss. :  
COUNTY OF )

On the 10th day of August, 2006 before me, a notary public in and for said State, personally appeared \_\_\_\_\_, known to me to be a Vice President of Wells Fargo Bank, N.A., a national banking association that executed the within instrument, and also known to me to be the person who executed it on behalf of said association, and acknowledged to me that such association executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

**Notary Public**

STATE OF CALIFORNIA

) ss.:

COUNTY OF

)

On the 10th day of August, 2006 before me, a notary public in and for said State, personally appeared \_\_\_\_\_, known to me to be a \_\_\_\_\_ of Option One Mortgage Corporation, a California corporation, that executed the within instrument, and also known to me to be the person who executed it on behalf of said corporation, and acknowledged to me that such corporation executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

**Notary Public**



**[FORM OF THE CLASS A-1 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET-BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS A-1**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class A-1	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class A-1 Certificates as of the Closing Date: \$167,027,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

**CUSIP: 00075Q AQ 5**

Closing Date: August 10, 2006

**ISIN: US00075QAQ55**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class A-1 Certificates) in that certain beneficial ownership interest evidenced by all the Class A-1 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required

to be distributed to the Holders of Class A-1 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class A-1 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class A-1 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class A-1 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class A-1 Certificate Margin, (ii) the Group 1 Maximum Rate Cap and (iii) the Group 1 Cap. Interest will accrue on the Class A-1 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class A-1 Certificates.

The Class A-1 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF THE CLASS A-2 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET-BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS A-2**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class A-2	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class A-2 Certificates as of the Closing Date: \$166,946,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

**CUSIP: 00075Q AR 3**

Closing Date: August 10, 2006

**ISIN: US00075QAR39**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class A-2 Certificates) in that certain beneficial ownership interest evidenced by all the Class A-2 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required

to be distributed to the Holders of Class A-2 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class A-2 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class A-2 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class A-2 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class A-2 Certificate Margin, (ii) the Group 2 Maximum Rate Cap and (iii) the Group 2 Cap. Interest will accrue on the Class A-2 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class A-2 Certificates.

The Class A-2 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.



Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT -	Custodian (Cust) (Minor) under Uniform Gifts to Minors Act
TEN ENT	- as tenants by the entireties		
JT TEN	- as joint tenants with right of survivorship and not as tenants in common		----- (State)

Additional abbreviations may also be used though not in the above list.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
(Please print or typewrite name, address including postal zip code, and Taxpayer Identification Number of assignee)

\_\_\_\_\_ a Percentage Interest equal to \_\_\_\_% evidenced by the within asset-backed Certificate and hereby authorize(s) the registration of transfer of such interest to assignee on the Certificate Register of the Trust Fund.

I (we) further direct the Certificate Registrar to issue a new Certificate of a like Percentage Interest and Class to the above named assignee and deliver such Certificate to the following address:

Dated: \_\_\_\_\_

Signature by or on behalf of assignor \_\_\_\_\_

**Signature Guaranteed**

~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF THE CLASS A-3A CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET-BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS A-3A**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class A-3A	Original Class Certificate Principal Balance of the Class A-3A Certificates as of the Closing Date: \$244,701,000.00
Certificate Interest Rate: Floating	
Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006	Initial Certificate Principal Balance: \$[__]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

**CUSIP: 00075Q AA 0**

Closing Date: August 10, 2006

**ISIN: US00075QAA04**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class A-3A Certificates) in that certain beneficial ownership interest evidenced by all the Class A-3A Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class A-3A Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any

Class A-3A Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class A-3A Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class A-3A Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class A-3A Certificate Margin, (ii) the Group 3 Maximum Rate Cap and (iii) the Group 3 Cap. Interest will accrue on the Class A-3A Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class A-3A Certificates.

The Class A-3A Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be



Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:





~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_. This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF THE CLASS A-3B CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET-BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS A-3B**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class A-3B	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class A-3B Certificates as of the Closing Date: \$79,718,000.00
Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006	Initial Certificate Principal Balance: \$[__]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

Closing Date: August 10, 2006

**CUSIP: 00075Q AB 8**

**ISIN: US00075QAB86**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class A-3B Certificates) in that certain beneficial ownership interest evidenced by all the Class A-3B Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class A-3B Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any

Class A-3B Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class A-3B Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class A-3B Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class A-3B Certificate Margin, (ii) the Group 3 Maximum Rate Cap and (iii) the Group 3 Cap. Interest will accrue on the Class A-3B Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class A-3B Certificates.

The Class A-3B Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be



Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT -	Custodian (Cust) (Minor) under Uniform Gifts to Minors Act
TEN ENT	- as tenants by the entireties		
JT TEN	- as joint tenants with right of survivorship and not as tenants in common		----- (State)

Additional abbreviations may also be used though not in the above list.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
(Please print or typewrite name, address including postal zip code, and Taxpayer Identification Number of assignee)

a Percentage Interest equal to \_\_\_\_% evidenced by the within asset-backed Certificate and hereby authorize(s) the registration of transfer of such interest to assignee on the Certificate Register of the Trust Fund.

I (we) further direct the Certificate Registrar to issue a new Certificate of a like Percentage Interest and Class to the above named assignee and deliver such Certificate to the following address:

Dated:

\_\_\_\_\_

Signature by or on behalf of assignor

\_\_\_\_\_

**Signature Guaranteed**

~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.



**[FORM OF THE CLASS A-3C1 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET-BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS A-3C1**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class A-3C1	Original Class Certificate Principal Balance of the Class A-3C1
Certificate Interest Rate: Floating	Certificates as of the Closing Date: \$75,000,000.00
Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006	Initial Certificate Principal Balance: \$[__]
First Distribution Date: August 25, 2006	Servicer: Option One Mortgage
No. Corporation	Trustee: Wells Fargo Bank, N.A.
CUSIP: 00075Q AS 1	Closing Date: August 10, 2006

**ISIN: US00075QAS12**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class A-3C1 Certificates) in that certain beneficial ownership interest evidenced by all the Class A-3C1 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class A-3C1 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class A-3C1 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class A-3C1 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class A-3C1 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class A-3C1 Certificate Margin, (ii) the Group 3 Maximum Rate Cap and (iii) the Group 3 Cap. Interest will accrue on the Class A-3C1 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class A-3C1 Certificates.

The Class A-3C1 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF THE CLASS A-3C2 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET-BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS A-3C2**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class A-3C2	Original Class Certificate Principal Balance of the Class A-3C2
Certificate Interest Rate: Floating	Certificates as of the Closing Date: \$33,495,000.00
Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006	Initial Certificate Principal Balance: \$[__]
First Distribution Date: August 25, 2006	Servicer: Option One Mortgage
No. Corporation	Trustee: Wells Fargo Bank, N.A.
CUSIP: 00075Q AC 6	Closing Date: August 10, 2006

**ISIN: US00075QAC69**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class A-3C2 Certificates) in that certain beneficial ownership interest evidenced by all the Class A-3C2 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class A-3C2 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class A-3C2 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class A-3C2 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class A-3C2 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class A-3C2 Certificate Margin, (ii) the Group 3 Maximum Rate Cap and (iii) the Group 3 Cap. Interest will accrue on the Class A-3C2 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class A-3C2 Certificates.

The Class A-3C2 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:





~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_. This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF THE CLASS A-3D CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET-BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS A-3D**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class A-3D	Original Class Certificate Principal Balance of the Class A-3D Certificates as of the Closing Date: \$18,763,000.00
Certificate Interest Rate: Floating	
Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006	Initial Certificate Principal Balance: \$[__]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

Closing Date: August 10, 2006

**CUSIP: 00075Q AD 4**

**ISIN: US00075QAD43**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class A-3D Certificates) in that certain beneficial ownership interest evidenced by all the Class A-3D Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class A-3D Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any

Class A-3D Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class A-3D Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class A-3D Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class A-3D Certificate Margin, (ii) the Group 3 Maximum Rate Cap and (iii) the Group 3 Cap. Interest will accrue on the Class A-3D Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class A-3D Certificates.

The Class A-3D Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be



Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT - Custodian (Cust) (Minor) under Uniform Gifts to Minors Act
TEN ENT	- as tenants by the entireties	
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	----- (State)

Additional abbreviations may also be used though not in the above list.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
(Please print or typewrite name, address including postal zip code, and Taxpayer Identification Number of assignee)

\_\_\_\_\_ a Percentage Interest equal to \_\_\_\_% evidenced by the within asset-backed Certificate and hereby authorize(s) the registration of transfer of such interest to assignee on the Certificate Register of the Trust Fund.

I (we) further direct the Certificate Registrar to issue a new Certificate of a like Percentage Interest and Class to the above named assignee and deliver such Certificate to the following address:

Dated:

\_\_\_\_\_

Signature by or on behalf of assignor

\_\_\_\_\_

**Signature Guaranteed**

~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.



**[FORM OF CLASS M-1 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A CERTIFICATES AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS M-1**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class M-1	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class M-1 Certificates as of the Closing Date: \$57,354,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

Closing Date: August 10, 2006

**CUSIP: 00075Q AE 2**

**ISIN: US00075QAE26**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class M-1 Certificates) in that certain beneficial ownership interest evidenced by all the Class M-1 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class M-1 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class M-1 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class M-1 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class M-1 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class M-1 Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class M-1 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABC Asset Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class M-1 Certificates.

The Class M-1 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_.

This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS M-2 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A AND CLASS M-1 CERTIFICATES AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS M-2**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class M-2	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class M-2 Certificates as of the Closing Date: \$55,191,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

Closing Date: August 10, 2006

**CUSIP: 00075Q AF 9**

**ISIN: US00075QAF90**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class M-2 Certificates) in that certain beneficial ownership interest evidenced by all the Class M-2 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class M-2 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class M-2 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class M-2 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class M-2 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class M-2 Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class M-2 Certificates during each Interest Accrual Period at the Certificate Interest Rate.



This Certificate is one of a duly authorized issue of Certificates designated as ABC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class M-2 Certificates.

The Class M-2 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates and Class M-1 Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_. This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS M-3 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A, CLASS M-1 AND CLASS M-2 CERTIFICATES AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS M-3**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class M-3	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class M-3 Certificates as of the Closing Date: \$20,020,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

Closing Date: August 10, 2006

**CUSIP: 00075Q AG 7**

**ISIN: US00075QAG73**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class M-3 Certificates) in that certain beneficial ownership interest evidenced by all the Class M-3 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class M-3 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class M-3 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class M-3 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class M-3 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class M-3 Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class M-3 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class M-3 Certificates.

The Class M-3 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates, Class M-1 Certificate and Class M-2 Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:





~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS M-4 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A, CLASS M-1, CLASS M-2 AND CLASS M-3 CERTIFICATES AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS M-4**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class M-4	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class M-4 Certificates as of the Closing Date: \$23,256,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

Closing Date: August 10, 2006

**CUSIP: 00075Q AH 5**

**ISIN: US00075QAH56**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class M-4 Certificates) in that certain beneficial ownership interest evidenced by all the Class M-4 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class M-4 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class M-4 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class M-4 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class M-4 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class M-4 Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class M-4 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class M-4 Certificates.

The Class M-4 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates, Class M-1 Certificates, Class M-2 Certificates and Class M-3 Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.



**[FORM OF CLASS M-5 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A, CLASS M-1, CLASS M-2, CLASS M-3 AND CLASS M-4 CERTIFICATES AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS M-5**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class M-5	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class M-5 Certificates as of the Closing Date: \$21,112,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

Closing Date: August 10, 2006

**CUSIP: 00075Q AJ 1**

**ISIN: US00075QAJ13**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class M-5 Certificates) in that certain beneficial ownership interest evidenced by all the Class M-5 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class M-5 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class M-5 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class M-5 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class M-5 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class M-5 Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class M-5 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABC Asset Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class M-5 Certificates.

The Class M-5 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates, Class M-1 Certificates, Class M-2 Certificates, Class M-3 Certificates and Class M-4 Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS M-6 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A, CLASS M-1, CLASS M-2, CLASS M-3, CLASS M-4 AND CLASS M-5 CERTIFICATES AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS M-6**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class M-6	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class M-6 Certificates as of the Closing Date: \$16,233,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

**CUSIP: 00075Q AK 8**

Closing Date: August 10, 2006

**ISIN: US00075QAK85**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class M-6 Certificates) in that certain beneficial ownership interest evidenced by all the Class M-6 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class M-6 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class M-6 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class M-6 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class M-6 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class M-6 Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class M-6 Certificates during each Interest Accrual Period at the Certificate Interest Rate.



This Certificate is one of a duly authorized issue of Certificates designated as ABC Asset Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class M-6 Certificates.

The Class M-6 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates, Class M-1 Certificates, Class M-2 Certificates, Class M-3 Certificates, Class M-4 Certificates and Class M-5 Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT -	Custodian (Cust) (Minor) under Uniform Gifts to Minors Act
TEN ENT	- as tenants by the entireties		
JT TEN	- as joint tenants with right of survivorship and not as tenants in common		----- (State)

Additional abbreviations may also be used though not in the above list.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
(Please print or typewrite name, address including postal zip code, and Taxpayer Identification Number of assignee)

a Percentage Interest equal to \_\_\_\_% evidenced by the within asset-backed Certificate and hereby authorize(s) the registration of transfer of such interest to assignee on the Certificate Register of the Trust Fund.

I (we) further direct the Certificate Registrar to issue a new Certificate of a like Percentage Interest and Class to the above named assignee and deliver such Certificate to the following address:

Dated: \_\_\_\_\_

Signature by or on behalf of assignor \_\_\_\_\_

**Signature Guaranteed**

~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS M-7 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A, CLASS M-1, CLASS M-2, CLASS M-3, CLASS M-4, CLASS M-5 AND CLASS M-6 CERTIFICATES AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS M-7**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class M-7	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class M-7 Certificates as of the Closing Date: \$20,561,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

**CUSIP: 00075Q AL 6**

Closing Date: August 10, 2006

**ISIN: US00075QAL68**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class M-7 Certificates) in that certain beneficial ownership interest evidenced by all the Class M-7 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class M-7 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class M-7 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class M-7 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class M-7 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class M-7 Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class M-7 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABC Asset Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class M-7 Certificates.

The Class M-7 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates, Class M-1 Certificates, Class M-2 Certificates, Class M-3 Certificates, Class M-4 Certificates, Class M-5 and Class M-6 Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:





~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_. This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS M-8 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A, CLASS M-1, CLASS M-2, CLASS M-3, CLASS M-4, CLASS M-5, CLASS M-6 AND CLASS M-7 CERTIFICATES AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS M-8**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class M-8	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class M-8 Certificates as of the Closing Date: \$12,445,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

**CUSIP: 00075Q AM 4**

Closing Date: August 10, 2006

**ISIN: US00075QAM42**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class M-8 Certificates) in that certain beneficial ownership interest evidenced by all the Class M-8 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class M-8 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class M-8 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class M-8 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class M-8 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class M-8 Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class M-8 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABC Asset Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class M-8 Certificates.

The Class M-8 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates, Class M-1 Certificates, Class M-2 Certificates, Class M-3 Certificates, Class M-4 Certificates, Class M-5 Certificates, Class M-6 Certificates and Class M-7 Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.



**[FORM OF CLASS M-9 CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A, CLASS M-1, CLASS M-2, CLASS M-3, CLASS M-4, CLASS M-5, CLASS M-6, CLASS M-7 AND CLASS M-8 CERTIFICATES AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

**ABFC ASSET BACKED CERTIFICATES**  
**SERIES 2006-OPT1, CLASS M-9**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class M-9	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class M-9 Certificates as of the Closing Date: \$15,150,000.00

Date of Pooling and Servicing Agreement Initial Certificate Principal Balance:  
and Cut-off Date: July 1, 2006 \$[ ]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

**CUSIP: 00075Q AN 2**

Closing Date: August 10, 2006

**ISIN: US00075QAN25**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class M-9 Certificates) in that certain beneficial ownership interest evidenced by all the Class M-9 Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class M-9 Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class M-9 Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class M-9 Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class M-9 Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class M-9 Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class M-9 Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABC Asset Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing a Percentage Interest in the Class M-9 Certificates.

The Class M-9 Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates, Class M-1 Certificates, Class M-2 Certificates, Class M-3 Certificates, Class M-4 Certificates, Class M-5 Certificates, Class M-6 Certificates, Class M-7 Certificates and Class M-8 Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_. This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS B CERTIFICATE]**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A, 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 AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS BENEFICIAL OWNERSHIP OF A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). ANY RESALE OR TRANSFER OF THIS CERTIFICATE WITHOUT REGISTRATION THEREOF UNDER THE 1933 ACT MAY ONLY BE MADE IN A TRANSACTION EXEMPTED FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND IN ACCORDANCE WITH THE PROVISIONS OF THE POOLING AND SERVICING AGREEMENT REFERENCED HEREIN.

UNDER CURRENT LAW THE PURCHASE AND HOLDING OF THIS CERTIFICATE BY OR ON BEHALF OF ANY EMPLOYEE BENEFIT PLAN OR ARRANGEMENT, INCLUDING AN INDIVIDUAL RETIREMENT ACCOUNT, SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THE CODE OR ANY FEDERAL, STATE OR LOCAL LAW ("SIMILAR LAW") WHICH IS SIMILAR TO ERISA OR THE CODE (COLLECTIVELY, A "PLAN"), MAY RESULT IN "PROHIBITED TRANSACTIONS" WITHIN THE MEANING OF ERISA, THE CODE OR SIMILAR LAW. TRANSFER OF THIS CERTIFICATE WILL NOT BE MADE UNLESS THE TRANSFEREE DELIVERS TO THE TRUSTEE EITHER (I) A REPRESENTATION LETTER, IN FORM AND SUBSTANCE SATISFACTORY TO THE TRUSTEE, STATING THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, ANY SUCH PLAN OR USING THE ASSETS OF ANY SUCH PLAN TO EFFECT SUCH PURCHASE OR (B) IF IT IS AN INSURANCE COMPANY, THAT THE SOURCE OF FUNDS USED TO PURCHASE THIS CERTIFICATE IS AN "INSURANCE COMPANY GENERAL ACCOUNT" (AS SUCH TERM IS DEFINED IN SECTION V(E) OF PROHIBITED TRANSACTION CLASS EXEMPTION 95-60 ("PTE 95-60"), 60 FED. REG. 35925 (JULY 12, 1995)), THERE IS NO PLAN WITH RESPECT TO WHICH THE AMOUNT OF SUCH GENERAL ACCOUNT'S RESERVES AND LIABILITIES FOR THE CONTRACT(S) HELD BY OR ON BEHALF OF SUCH PLAN AND ALL OTHER PLANS MAINTAINED BY THE SAME EMPLOYER (OR AFFILIATE THEREOF AS DEFINED IN SECTION V(A)(1) OF PTE 95-60) OR BY THE SAME EMPLOYEE ORGANIZATION EXCEEDS 10% OF THE TOTAL OF ALL RESERVES AND LIABILITIES OF SUCH GENERAL ACCOUNT (AS SUCH AMOUNTS ARE DETERMINED UNDER SECTION I(A) OF PTE 95-60) AT THE DATE OF ACQUISITION AND ALL PLANS THAT HAVE AN INTEREST IN SUCH GENERAL ACCOUNT ARE PLANS TO WHICH PTE 95-60 APPLIES, OR (II) AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE SATISFACTORY TO THE TRUSTEE, TO THE EFFECT THAT THE PURCHASE OR HOLDING OF THIS CERTIFICATE BY OR ON BEHALF OF SUCH PLAN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION WITHIN THE MEANING OF ERISA, SECTION 4975 OF THE CODE OR SIMILAR LAW AND WILL NOT SUBJECT THE DEPOSITOR, THE SERVICER OR THE TRUSTEE TO ANY OBLIGATION IN ADDITION TO THOSE UNDERTAKEN IN THE POOLING AND SERVICING AGREEMENT. EACH PERSON WHO ACQUIRES THIS CERTIFICATE OR ANY INTEREST THEREIN SHALL BE DEEMED TO HAVE MADE THE REPRESENTATIONS REQUIRED BY THE REPRESENTATION LETTER REFERRED TO IN THE PRECEDING SENTENCE, UNLESS SUCH PERSON SHALL HAVE PROVIDED SUCH REPRESENTATION LETTER OR THE OPINION OF COUNSEL REFERRED TO IN THE PRECEDING SENTENCE TO THE TRUSTEE. THE POOLING AND SERVICING AGREEMENT PROVIDES THAT ANY ATTEMPTED OR PURPORTED TRANSFER IN VIOLATION OF THESE TRANSFER RESTRICTIONS WILL BE NULL AND VOID AND WILL VEST NO RIGHTS IN ANY PURPORTED TRANSFEREE.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS B**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class B	Original Class Certificate Principal
Certificate Interest Rate: Floating	Balance of the Class B Certificates as of the Closing Date: \$20,020,000.00
Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006	Initial Certificate Principal Balance: \$[__]

First Distribution Date: August 25, 2006 Servicer: Option One Mortgage Corporation No.

Trustee: Wells Fargo Bank, N.A.

**CUSIP: 00075Q AP 7**

Closing Date: August 10, 2006

**ISIN: US00075QAP72**

DISTRIBUTIONS IN REDUCTION OF THE CERTIFICATE PRINCIPAL BALANCE OF THIS CERTIFICATE MAY BE MADE MONTHLY AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING CERTIFICATE PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest (obtained by dividing the Initial Certificate Principal Balance of this Certificate by the Original Class Certificate Principal Balance of the Class B Certificates) in that certain beneficial ownership interest evidenced by all the Class B Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the Business Day immediately preceding such Distribution Date (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class B Certificates on such Distribution Date pursuant to the Agreement; provided, however, that if any Class B Certificate becomes a Definitive Certificate, the Record Date for such Certificate will be the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class B Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

The Certificate Interest Rate for the Class B Certificates for each Distribution Date will be the least of (i) One-Month LIBOR as of the related LIBOR Determination Date plus the Class B Certificate Margin, (ii) the Pool Maximum Rate Cap and (iii) the Pool Cap. Interest will accrue on the Class B Certificates during each Interest Accrual Period at the Certificate Interest Rate.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the



The Class B Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

This certificate is subordinated in right of payment to the Class A Certificates, Class M-1 Certificates, Class M-2 Certificates, Class M-3 Certificates, Class M-4 Certificates, Class M-5 Certificates, Class M-6 Certificates, Class M-7 Certificates, Class M-8 Certificates and Class M-9 Certificates as described in the Pooling and Servicing Agreement referred to herein.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No transfer of this Certificate shall be made unless that transfer is made pursuant to an effective registration statement under the 1933 Act and effective registration or qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification. In the event that a transfer is to be made without registration or qualification, the Certificate Registrar shall require, in order to assure compliance with such laws, that the Certificateholder desiring to effect the transfer and such Certificateholder's prospective transferee each execute a representation letter in the form described by the Agreement (as to which, so long as this Certificate is a Book-Entry Certificate, the representations and agreements made therein will be deemed to have been made by the prospective transferor and/or the prospective transferee, as applicable) certifying to the Certificate Registrar the facts surrounding the transfer. None of the Depositor, the Certificate Registrar or the Trustee is obligated to register or qualify the Class of Certificates specified on the face hereof under the 1933 Act or any other securities law or to take any action not otherwise required under the Agreement to permit the transfer of such Certificates without registration or qualification. Any such Certificateholder desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee, the Depositor, the Certificate Registrar and any Servicer against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**

Date of authentication:



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_.

This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS CE CERTIFICATES]**

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS A DIRECT OR INDIRECT BENEFICIAL INTEREST IN A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND CERTAIN OTHER PROPERTY.

THIS CLASS CE CERTIFICATE IS SUBORDINATE TO THE CLASS A, CLASS M AND CLASS B CERTIFICATES OF THIS SERIES TO THE EXTENT DESCRIBED HEREIN AND IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

**THIS CLASS CE CERTIFICATE WILL NOT BE ENTITLED TO PAYMENTS UNTIL SUCH TIME AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.**

THIS CLASS CE CERTIFICATE HAS NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE. ANY RESALE, TRANSFER OR OTHER DISPOSITION OF THIS CERTIFICATE WITHOUT SUCH REGISTRATION OR QUALIFICATION MAY BE MADE ONLY IN A TRANSACTION THAT DOES NOT REQUIRE SUCH REGISTRATION OR QUALIFICATION AND IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

NO TRANSFER OF THIS CERTIFICATE TO AN EMPLOYEE BENEFIT PLAN OR OTHER RETIREMENT ARRANGEMENT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, SECTION 4975 OF THE CODE OR ANY MATERIALLY SIMILAR PROVISIONS OF APPLICABLE FEDERAL, STATE OR LOCAL LAW WILL BE REGISTERED.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS CE**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class CE

Servicer: Option One Mortgage Corporation

Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006

Trustee: Wells Fargo Bank, N.A.

First Distribution Date: August 25, 2006 Closing Date: August 10, 2006

No.

Percentage Interest: 100%

**THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.**

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest set forth above in that certain beneficial ownership interest evidenced by all the Class CE Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs (the "Record Date"), from funds in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class CE Certificates on such Distribution Date pursuant to the Agreement.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class CE Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Mortgage Loan Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing the Percentage Interest specified on the face hereof.

The Class CE Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate

Register upon surrender of this Certificate for registration or transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No transfer of this Certificate shall be made unless that transfer is made pursuant to an effective registration statement under the 1933 Act and effective registration or qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification. In the event that a transfer is to be made without registration or qualification, the Certificate Registrar shall require, in order to assure compliance with such laws, either (i) that the Certificateholder desiring to effect the transfer and such Certificateholder's prospective transferee each execute a representation letter in the form described by the Agreement certifying to the Certificate Registrar the facts surrounding the transfer, or (ii) unless such transfer is made in reliance upon Rule 144A under the 1933 Act, that the Depositor and the Certificate Registrar receive an Opinion of Counsel satisfactory to them that such transfer may be made without such registration or qualification, which Opinion of Counsel shall not be an expense of the Depositor, the Trustee or the Certificate Registrar, in their respective capacities as such. None of the Depositor, the Certificate Registrar or the Trustee is obligated to register or qualify the Class of Certificates specified on the face hereof under the 1933 Act or any other securities law or to take any action not otherwise required under the Agreement to permit the transfer of such Certificates without registration or qualification. Any such Certificateholder desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee, the Depositor, the Certificate Registrar and any Servicer against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

No transfer of a Certificate or any interest therein may be made to employee benefit plans and certain other retirement plans and arrangements, including individual retirement accounts and annuities, Keogh plans and collective investment funds and separate accounts in which such plans, accounts or arrangements are invested that are subject to the fiduciary responsibility provisions of ERISA, Section 4975 of the Code or any materially similar provisions of applicable federal, state or local law (collectively, "Plans") or any person who is directly or indirectly purchasing the Certificate or interest therein on behalf of, as named fiduciary of, as trustee of, or with assets of a Plan.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

Dated:

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**





~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS P CERTIFICATE]**

THIS CLASS P CERTIFICATE HAS NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE. ANY RESALE, TRANSFER OR OTHER DISPOSITION OF THIS CERTIFICATE WITHOUT SUCH REGISTRATION OR QUALIFICATION MAY BE MADE ONLY IN A TRANSACTION THAT DOES NOT REQUIRE SUCH REGISTRATION OR QUALIFICATION AND IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

NO TRANSFER OF THIS CERTIFICATE TO AN EMPLOYEE BENEFIT PLAN OR OTHER RETIREMENT ARRANGEMENT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, SECTION 4975 OF THE CODE OR ANY MATERIALLY SIMILAR PROVISIONS OF APPLICABLE FEDERAL, STATE OR LOCAL LAW WILL BE REGISTERED.

**ABFC ASSET BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS P**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class P

Servicer: Option One Mortgage Corporation

Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006

Trustee: Wells Fargo Bank, N.A.

First Distribution Date: August 25, 2006 Closing Date: August 10, 2006

No.

Percentage Interest: 100%

**THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.**

This certifies that \_\_\_\_\_ is the registered owner of a Percentage Interest set forth above in that certain beneficial ownership interest evidenced by all the Class P Certificates in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs (the "Record Date"), from Prepayment Charges, Originator Prepayment Charge Payment Amounts and Servicer Prepayment Charge Payment Amounts in the Distribution Account in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to the Holders of Class P Certificates on such Distribution Date pursuant to the Agreement.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class P Certificates, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing the Percentage Interest specified on the face hereof.

The Class P Certificates are limited in right of payment to Prepayment Charges received on the Mortgage Loans, Originator Prepayment Charge Payment Amounts and Servicer Prepayment Charge Payment Amounts, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No transfer of this Certificate shall be made unless that transfer is made pursuant to an effective registration statement under the 1933 Act and effective registration or qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification. In the event that a transfer is to be made without registration or qualification, the Certificate Registrar shall require, in order to assure compliance with such laws, either (i) that the Certificateholder desiring to effect the transfer and such Certificateholder's prospective transferee each execute a representation letter in the form described by the Agreement certifying to the Certificate Registrar the facts surrounding the transfer, or (ii) unless such transfer is made in reliance upon Rule 144A under the 1933 Act, that the Depositor and the Certificate Registrar receive an Opinion of Counsel satisfactory to them that such transfer may be made without such registration or qualification, which Opinion of Counsel shall not be an expense of the Depositor, the Trustee or the Certificate Registrar, in their respective capacities as such. None of the Depositor, the Certificate Registrar or the Trustee is obligated to register or qualify the Class of Certificates specified on the face hereof under the 1933 Act or any other securities law or to take any action not otherwise required under the Agreement to permit the transfer of such Certificates without registration or qualification. Any such Certificateholder desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee, the Depositor, the Certificate Registrar and any Servicer against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

No transfer of a Certificate or any interest therein may be made to employee benefit plans and certain other retirement plans and arrangements, including individual retirement accounts and annuities, Keogh plans and collective investment funds and separate accounts in which such plans, accounts or arrangements are invested that are subject to the fiduciary responsibility provisions of ERISA, Section 4975 of the Code or any materially similar provisions of applicable federal, state or local law (collectively, "Plans") or any person who is directly or indirectly purchasing the Certificate or interest therein on behalf of, as named fiduciary of, as trustee of, or with assets of a Plan.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar or any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Certificates referred to in the within-mentioned Agreement.

Dated:

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.



**[FORM OF CLASS R CERTIFICATE]**

**THIS CERTIFICATE MAY NOT BE TRANSFERRED TO A NON-UNITED STATES PERSON.**

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS THE "RESIDUAL INTEREST" IN FOUR SEPARATE "REAL ESTATE MORTGAGE INVESTMENT CONDUITS," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

THIS CLASS R CERTIFICATE IS SUBORDINATE TO THE CLASS A, CLASS M, CLASS B AND CLASS CE CERTIFICATES OF THIS SERIES TO THE EXTENT DESCRIBED HEREIN AND IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

**THIS CLASS R CERTIFICATE WILL NOT BE ENTITLED TO PAYMENTS UNTIL SUCH TIME AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.**

THIS CLASS R CERTIFICATE HAS NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE. ANY RESALE, TRANSFER OR OTHER DISPOSITION OF THIS CERTIFICATE WITHOUT SUCH REGISTRATION OR QUALIFICATION MAY BE MADE ONLY IN A TRANSACTION THAT DOES NOT REQUIRE SUCH REGISTRATION OR QUALIFICATION AND IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

NO TRANSFER OF THIS CERTIFICATE TO AN EMPLOYEE BENEFIT PLAN OR OTHER RETIREMENT ARRANGEMENT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, SECTION 4975 OF THE CODE OR ANY MATERIALLY SIMILAR PROVISIONS OF APPLICABLE FEDERAL, STATE OR LOCAL LAW WILL BE REGISTERED.

ANY RESALE, TRANSFER OR OTHER DISPOSITION OF THIS CLASS R CERTIFICATE MAY BE MADE ONLY IF THE PROPOSED TRANSFEREE PROVIDES (1) AN AFFIDAVIT TO THE CERTIFICATE REGISTRAR THAT SUCH TRANSFEREE IS NOT (A) THE UNITED STATES, ANY STATE OR POLITICAL SUBDIVISION THEREOF, ANY FOREIGN GOVERNMENT, ANY INTERNATIONAL ORGANIZATION, OR ANY AGENCY OR INSTRUMENTALITY OF ANY OF THE FOREGOING, (B) ANY ORGANIZATION (OTHER THAN A COOPERATIVE DESCRIBED IN SECTION 521 OF THE CODE) WHICH IS EXEMPT FROM THE TAX IMPOSED BY CHAPTER 1 OF THE CODE UNLESS SUCH ORGANIZATION IS SUBJECT TO THE TAX IMPOSED BY SECTION 511 OF THE CODE, (C) ANY ORGANIZATION DESCRIBED IN SECTION 1381(a)(2)(C) OF THE CODE (ANY SUCH PERSON DESCRIBED IN THE FOREGOING CLAUSES (A), (B) OR (C) BEING HEREINAFTER REFERRED TO AS A "DISQUALIFIED ORGANIZATION"), OR (D) AN AGENT OF A DISQUALIFIED ORGANIZATION AND (2) NO PURPOSE OF SUCH TRANSFER IS TO IMPEDE THE ASSESSMENT OR COLLECTION OF TAX, AND (3) SUCH TRANSFEREE SATISFIES CERTAIN ADDITIONAL CONDITIONS RELATING TO THE FINANCIAL CONDITION OF THE PROPOSED TRANSFEREE. NOTWITHSTANDING THE REGISTRATION IN THE CERTIFICATE REGISTER OR ANY TRANSFER, SALE OR OTHER DISPOSITION OF THIS CLASS R CERTIFICATE TO A DISQUALIFIED ORGANIZATION OR AN AGENT OF A DISQUALIFIED ORGANIZATION, SUCH REGISTRATION SHALL BE DEEMED TO BE OF NO LEGAL FORCE OR EFFECT WHATSOEVER AND SUCH PERSON SHALL NOT BE DEEMED TO BE A CERTIFICATEHOLDER FOR ANY PURPOSE HEREUNDER, INCLUDING, BUT NOT LIMITED TO, THE RECEIPT OF DISTRIBUTIONS ON THIS CERTIFICATE. EACH HOLDER OF THE CLASS R CERTIFICATE BY ACCEPTANCE OF THIS CERTIFICATE SHALL BE DEEMED TO HAVE CONSENTED TO THE PROVISIONS OF THIS PARAGRAPH AND THE PROVISIONS OF SECTION 5.02(d) OF THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN. ANY PERSON THAT IS A DISQUALIFIED ORGANIZATION IS PROHIBITED FROM ACQUIRING BENEFICIAL OWNERSHIP OF THIS CLASS R CERTIFICATE.

**ABFC ASSET-BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS R**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class R

Servicer: Option One Mortgage Corporation

Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006

Trustee: Wells Fargo Bank, N.A.

First Distribution Date: August 25, 2006 Closing Date: August 10, 2006

No.

Percentage Interest: 100%

**THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.**

This certifies that \_\_\_\_\_ is the registered owner of 100% Percentage Interest in that certain beneficial ownership interest evidenced by the Class R Certificate in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs (the "Record Date"), from funds in the Distribution Account in the amount required to be distributed to the Holder of Class R Certificate on such Distribution Date pursuant to the Agreement.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class R Certificate, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing the Percentage Interest specified on the face hereof.

The Class R Certificate is limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the

Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No transfer of this Certificate shall be made unless that transfer is made pursuant to an effective registration statement under the 1933 Act and effective registration or qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification. In the event that a transfer is to be made without registration or qualification, the Certificate Registrar shall require, in order to assure compliance with such laws, either (i) that the Certificateholder desiring to effect the transfer and such Certificateholder's prospective transferee each execute a representation letter in the form described by the Agreement certifying to the Certificate Registrar the facts surrounding the transfer, or

(ii) unless such transfer is made in reliance upon Rule 144A under the 1933 Act, that the Depositor and the Certificate Registrar receive an Opinion of Counsel satisfactory to them that such transfer may be made without such registration or qualification, which Opinion of Counsel shall not be an expense of the Depositor, the Trustee or the Certificate Registrar, in their respective capacities as such. None of the Depositor, the Certificate Registrar or the Trustee is obligated to register or qualify the Class of Certificates specified on the face hereof under the 1933 Act or any other securities law or to take any action not otherwise required under the Agreement to permit the transfer of such Certificates without registration or qualification. Any such Certificateholder desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee, the Depositor, the Certificate Registrar and any Servicer against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

No transfer of this Certificate or any interest therein may be made to employee benefit plans and certain other retirement plans and arrangements, including individual retirement accounts and annuities, Keogh plans and collective investment funds and separate accounts in which such plans, accounts or arrangements are invested that are subject to the fiduciary responsibility provisions of ERISA, Section 4975 of the Code or any materially similar provisions of applicable federal, state or local law (collectively, "Plans") or any person who is directly or indirectly purchasing the Certificate or interest therein on behalf of, as named fiduciary of, as trustee of, or with assets of a Plan.

The Holder of this Certificate, by its acceptance hereof, shall be deemed for all purposes to have consented to the provisions of Section 5.02 of the Agreement and to any amendment of the Agreement deemed necessary by counsel of the Depositor to ensure that the transfer of this Certificate to any Person other than a Permitted Transferee or any other Person will not cause the Trust to cease to qualify as five separate REMICs or cause the imposition of a tax upon the Trust.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is the one of the Certificates referred to in the within-mentioned Agreement.

Dated:

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_ This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**[FORM OF CLASS R-X CERTIFICATE]**

**THIS CERTIFICATE MAY NOT BE TRANSFERRED TO A NON-UNITED STATES PERSON.**

FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE REPRESENTS THE "RESIDUAL INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

THIS CLASS R-X CERTIFICATE IS SUBORDINATE TO THE CLASS A, CLASS M, CLASS B AND CLASS CE CERTIFICATES OF THIS SERIES TO THE EXTENT DESCRIBED HEREIN AND IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

THIS CLASS R-X CERTIFICATE WILL NOT BE ENTITLED TO PAYMENTS UNTIL SUCH TIME AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

THIS CLASS R-X CERTIFICATE HAS NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE. ANY RESALE, TRANSFER OR OTHER DISPOSITION OF THIS CERTIFICATE WITHOUT SUCH REGISTRATION OR QUALIFICATION MAY BE MADE ONLY IN A TRANSACTION THAT DOES NOT REQUIRE SUCH REGISTRATION OR QUALIFICATION AND IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

NO TRANSFER OF THIS CERTIFICATE TO AN EMPLOYEE BENEFIT PLAN OR OTHER RETIREMENT ARRANGEMENT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, SECTION 4975 OF THE CODE OR ANY MATERIALLY SIMILAR PROVISIONS OF APPLICABLE FEDERAL, STATE OR LOCAL LAW WILL BE REGISTERED.

ANY RESALE, TRANSFER OR OTHER DISPOSITION OF THIS CLASS R-X CERTIFICATE MAY BE MADE ONLY IF THE PROPOSED TRANSFEREE PROVIDES (1) AN AFFIDAVIT TO THE CERTIFICATE REGISTRAR THAT SUCH TRANSFEREE IS NOT (A) THE UNITED STATES, ANY STATE OR POLITICAL SUBDIVISION THEREOF, ANY FOREIGN GOVERNMENT, ANY INTERNATIONAL ORGANIZATION, OR ANY AGENCY OR INSTRUMENTALITY OF ANY OF THE FOREGOING, (B) ANY ORGANIZATION (OTHER THAN A COOPERATIVE DESCRIBED IN SECTION 521 OF THE CODE) WHICH IS EXEMPT FROM THE TAX IMPOSED BY CHAPTER 1 OF THE CODE UNLESS SUCH ORGANIZATION IS SUBJECT TO THE TAX IMPOSED BY SECTION 511 OF THE CODE, (C) ANY ORGANIZATION DESCRIBED IN SECTION 1381(a)(2)(C) OF THE CODE (ANY SUCH PERSON DESCRIBED IN THE FOREGOING CLAUSES (A), (B) OR (C) BEING HEREINAFTER REFERRED TO AS A "DISQUALIFIED ORGANIZATION"), OR (D) AN AGENT OF A DISQUALIFIED ORGANIZATION AND (2) NO PURPOSE OF SUCH TRANSFER IS TO IMPEDE THE ASSESSMENT OR COLLECTION OF TAX, AND (3) SUCH TRANSFEREE SATISFIES CERTAIN ADDITIONAL CONDITIONS RELATING TO THE FINANCIAL CONDITION OF THE PROPOSED TRANSFEREE. NOTWITHSTANDING THE REGISTRATION IN THE CERTIFICATE REGISTER OR ANY TRANSFER, SALE OR OTHER DISPOSITION OF THIS CLASS R-X CERTIFICATE TO A DISQUALIFIED ORGANIZATION OR AN AGENT OF A DISQUALIFIED ORGANIZATION, SUCH REGISTRATION SHALL BE DEEMED TO BE OF NO LEGAL FORCE OR EFFECT WHATSOEVER AND SUCH PERSON SHALL NOT BE DEEMED TO BE A CERTIFICATEHOLDER FOR ANY PURPOSE HEREUNDER, INCLUDING, BUT NOT LIMITED TO, THE RECEIPT OF DISTRIBUTIONS ON THIS CERTIFICATE. EACH HOLDER OF THE CLASS R-X CERTIFICATE BY ACCEPTANCE OF THIS CERTIFICATE SHALL BE DEEMED TO HAVE CONSENTED TO THE PROVISIONS OF THIS PARAGRAPH AND THE PROVISIONS OF SECTION 5.02(d) OF THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN. ANY PERSON THAT IS A DISQUALIFIED ORGANIZATION IS PROHIBITED FROM ACQUIRING BENEFICIAL OWNERSHIP OF THIS CLASS R-X CERTIFICATE.

**ABFC ASSET-BACKED CERTIFICATES  
SERIES 2006-OPT1, CLASS R-X**

evidencing a beneficial ownership interest in a Trust Fund consisting primarily of a pool of conventional fixed-rate and adjustable-rate one- to four-family first and second lien mortgage loans formed and sold by

**ASSET BACKED FUNDING CORPORATION**

Series 2006-OPT1, Class R-X

Servicer: Option One Mortgage Corporation

Date of Pooling and Servicing Agreement and Cut-off Date: July 1, 2006

Trustee: Wells Fargo Bank, N.A.

First Distribution Date: August 25, 2006 Closing Date: August 10, 2006

No.

Percentage Interest: 100%

**THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR INTEREST IN ASSET BACKED FUNDING CORPORATION, THE SERVICER, THE TRUSTEE OR ANY OF THEIR AFFILIATES. THIS CERTIFICATE IS NOT GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER ENTITY.**

This certifies that \_\_\_\_\_ is the registered owner of 100% Percentage Interest in that certain beneficial ownership interest evidenced by the Class R-X Certificate in the Trust Fund created pursuant to a Pooling and Servicing Agreement, dated as specified above (the "Agreement"), among Asset Backed Funding Corporation (hereinafter called the "Depositor," which term includes any successor entity under the Agreement), the Servicer and the Trustee, a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, distributions will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (a "Distribution Date"), commencing on the first Distribution Date specified above, to the Person in whose name this Certificate is registered on the last Business Day of the month immediately preceding the month in which the related Distribution Date occurs (the "Record Date"), from funds in the Distribution Account in the amount required to be distributed to the Holder of Class R-X Certificate on such Distribution Date pursuant to the Agreement.

All distributions to the Holder of this Certificate under the Agreement will be made or caused to be made by or on behalf of the Trustee by wire transfer in immediately available funds to the account of the Person entitled thereto if such Person shall have so notified the Certificate Registrar in writing at least five Business Days prior to the Record Date immediately prior to such Distribution Date and is the registered owner of Class R-X Certificate, or by check mailed by first class mail to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register, provided that the Certificate Registrar may deduct a reasonable wire transfer fee from any payment made by wire transfer. Notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose as provided in the Agreement.

This Certificate is one of a duly authorized issue of Certificates designated as ABFC Asset-Backed Certificates of the Series specified on the face hereof (herein called the "Certificates") and representing the Percentage Interest specified on the face hereof.

The Class R-X Certificate is limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. As provided in the Agreement, withdrawals from the Collection Account and the Distribution Account may be made from time to time for purposes other than distributions to Certificateholders, such purposes including reimbursement of advances made, or certain expenses incurred, with respect to the Mortgage Loans.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Depositor, the Servicer, the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Servicer and the Trustee with the consent of the Holders of Certificates entitled to the Voting Rights identified in the agreement. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee as provided in the



Agreement, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable in fully registered form only without coupons in Classes and denominations representing Percentage Interests specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of the same Class in authorized denominations evidencing the same aggregate Percentage Interest, as requested by the Holder surrendering the same.

No transfer of this Certificate shall be made unless that transfer is made pursuant to an effective registration statement under the 1933 Act and effective registration or qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification. In the event that a transfer is to be made without registration or qualification, the Certificate Registrar shall require, in order to assure compliance with such laws, either (i) that the Certificateholder desiring to effect the transfer and such Certificateholder's prospective transferee each execute a representation letter in the form described by the Agreement certifying to the Certificate Registrar the facts surrounding the transfer, or

(ii) unless such transfer is made in reliance upon Rule 144A under the 1933 Act, that the Depositor and the Certificate Registrar receive an Opinion of Counsel satisfactory to them that such transfer may be made without such registration or qualification, which Opinion of Counsel shall not be an expense of the Depositor, the Trustee or the Certificate Registrar, in their respective capacities as such. None of the Depositor, the Certificate Registrar or the Trustee is obligated to register or qualify the Class of Certificates specified on the face hereof under the 1933 Act or any other securities law or to take any action not otherwise required under the Agreement to permit the transfer of such Certificates without registration or qualification. Any such Certificateholder desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee, the Depositor, the Certificate Registrar and any Servicer against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

No transfer of this Certificate or any interest therein may be made to employee benefit plans and certain other retirement plans and arrangements, including individual retirement accounts and annuities, Keogh plans and collective investment funds and separate accounts in which such plans, accounts or arrangements are invested that are subject to the fiduciary responsibility provisions of ERISA, Section 4975 of the Code or any materially similar provisions of applicable federal, state or local law (collectively, "Plans") or any person who is directly or indirectly purchasing the Certificate or interest therein on behalf of, as named fiduciary of, as trustee of, or with assets of a Plan.

The Holder of this Certificate, by its acceptance hereof, shall be deemed for all purposes to have consented to the provisions of Section 5.02 of the Agreement and to any amendment of the Agreement deemed necessary by counsel of the Depositor to ensure that the transfer of this Certificate to any Person other than a Permitted Transferee or any other Person will not cause the Trust to cease to qualify as five separate REMICs or cause the imposition of a tax upon the Trust.

No service charge will be made for any such registration of transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Depositor, the Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Depositor, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

The obligations created by the Agreement and the Trust Fund created thereby shall terminate upon payment to the Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the final payment or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund, and (ii) the purchase by the party designated in the Agreement at a price determined as provided in the Agreement from the Trust Fund of all Mortgage Loans and all property acquired in respect of such Mortgage Loans. The Agreement permits, but does not require, the party designated in the Agreement, subject to certain conditions set forth in Article X of the Agreement, to purchase from the Trust Fund all Mortgage Loans and all property acquired in respect of any Mortgage Loan at the Termination Price on the Optional Termination Date. The exercise of such right will effect early retirement of the Certificates.

The recitals contained herein shall be taken as statements of the Depositor and the Trustee assumes no responsibility for their correctness.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

Dated:

**WELLS FARGO BANK, N.A., as Trustee**

By:  
**Authorized Officer**

**CERTIFICATE OF AUTHENTICATION**

This is the one of the Certificates referred to in the within-mentioned Agreement.

Dated:

WELLS FARGO BANK, N.A., as Certificate Registrar

By:

**Authorized Signatory**



~~DISTRIBUTION INSTRUCTIONS~~

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to

\_\_\_\_\_ for the account of \_\_\_\_\_, account number \_\_\_\_\_, or, if mailed by check, to \_\_\_\_\_.

Applicable statements should be mailed to \_\_\_\_\_. This information is provided by \_\_\_\_\_, the assignee named above, or \_\_\_\_\_, as its agent.

**Addresses for Requesting Mortgage Loan Schedule**

In the case of the Depositor:

Asset Backed Funding Corporation  
214 North Tryon Street  
21st Floor  
Charlotte, North Carolina 28255  
Attention: ABFC Asset-Backed Certificates, Series 2006-OPT1

In the case of the Servicer:

Option One Mortgage Corporation  
3 Ada  
Irvine, California 92618  
Attention: Debbie Lonergan,

In the case of the Trustee:

Wells Fargo Bank, N.A.  
9062 Old Annapolis Road  
Columbia, Maryland 21045-1951  
Attention: Corporate Trust Services - ABFC 2006-OPT1

**FORM OF REQUEST FOR RELEASE OF DOCUMENTS**

To: Wells Fargo Bank, N.A.  
24 Executive Park, Suite 100  
Irvine, California 92614  
Attn: Client Manager - ABFC, Series 2006-OPT1

Re: Pooling and Servicing Agreement dated as of July 1, 2006 among Asset Backed Funding Corporation, as depositor, Option One Mortgage Corporation, as servicer, and Wells Fargo Bank, N.A., as trustee

All capitalized terms used herein shall have the means ascribed to them in the Pooling and Servicing Agreement (the "Agreement") referenced above.

In connection with the administration of the Mortgage Loans held by you as Trustee pursuant to the Agreement, we request the release, and hereby acknowledge receipt, of the Trustee's Mortgage File for the Mortgage Loan described below, for the reason indicated.

**Mortgage Loan Number:**

**Mortgagor Name, Address & Zip Code:**

**Reason for Requesting Documents (check one):**

- 1. Mortgage Paid in Full
- 2. Foreclosure
- 3. Substitution
- 4. Other Liquidation (Repurchases, etc.)
- 5. Nonliquidation Reason: \_\_\_\_\_

By: \_\_\_\_\_

(authorized signer)

Issuer: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

**Custodian**

**Wells Fargo Bank, N.A.**

Please acknowledge the execution of the above request by your signature and date below:

_____	_____
Signature	Date

Documents returned to Custodian:

_____	_____
Custodian	Date

**FORM OF TRUSTEE'S INITIAL CERTIFICATION**

**Date**

Asset Backed Funding Corporation  
214 North Tryon Street  
21st Floor  
Charlotte, North Carolina 28255

Option One Mortgage Corporation  
3 Ada  
Irvine, California 92618

Re: Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of July 1, 2006 among Asset Backed Funding Corporation, as depositor, Option One Mortgage Corporation, as servicer, and Wells Fargo Bank, N.A., as trustee, with respect to ABFC Asset-Backed Certificates, Series 2006-OPT1

Ladies and Gentlemen:

In accordance with Section 2.02 of the Pooling and Servicing Agreement, the undersigned, as Trustee, hereby certifies that it has received the documents listed in Section 2.01 of the Pooling and Servicing Agreement for each Mortgage File pertaining to each Mortgage Loan listed on the Mortgage Loan Schedule, subject to any exceptions noted on Schedule I hereto and, based on an examination of such documents, the information set forth in the Mortgage Loan Schedules that corresponds to items (1), (2), (7), (8), (10) and (22) of the Mortgage Loan Schedules accurately reflects the information in the Mortgage File.

Capitalized words and phrases used herein and not otherwise defined herein shall have the respective meanings assigned to them in the Pooling and Servicing Agreement. This Certificate is subject in all respects to the terms of Section 2.02 of the Pooling and Servicing Agreement and the Pooling and Servicing Agreement sections cross-referenced therein.

**WELLS FARGO BANK, N.A.**  
**as Trustee**

By: \_\_\_\_\_

Name:

Title:

**FORM OF TRUSTEE'S FINAL CERTIFICATION**

[Date]

Asset Backed Funding Corporation  
214 North Tryon Street  
21st Floor  
Charlotte, North Carolina 28255

Option One Mortgage Corporation  
3 Ada  
Irvine, California 92618

Re: Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of July 1, 2006, among Asset Backed Funding Corporation, as depositor, Option One Mortgage Corporation, as servicer, and Wells Fargo Bank, N.A., as trustee, with respect to ABFC Asset-Backed Certificates, Series 2006-OPT1

Ladies and Gentlemen:

In accordance with Section 2.02 of the Pooling and Servicing Agreement, the undersigned, as Trustee, hereby certifies that as to each Mortgage Loan listed on the Mortgage Loan Schedule (other than any Mortgage Loan paid in full or listed on Schedule I hereto), it has received the applicable documents listed in Section 2.01 of the Pooling and Servicing Agreement.

The undersigned hereby certifies that as to each Mortgage Loan identified on the Mortgage Loan Schedules, other than any Mortgage Loan listed on Schedule I hereto, it has reviewed the applicable documents listed in Section 2.01 of the Pooling and Servicing Agreement and has determined that each such document appears to be complete and, based on an examination of such documents, the information set forth in the Mortgage Loan Schedules is correct.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the Pooling and Servicing Agreement. This Certificate is qualified in all respects by the terms of said Pooling and Servicing Agreement.

**WELLS FARGO BANK, N.A.,  
as Trustee**

By: \_\_\_\_\_

Name:

Title:



**FORM OF RECEIPT OF MORTGAGE NOTE**

Asset Backed Funding Corporation  
214 North Tryon Street  
21st Floor  
Charlotte, North Carolina 28255

Re: ABFC Asset-Backed Certificates, Series 2006-OPT1

Ladies and Gentlemen:

Pursuant to Section 2.01 of the Pooling and Servicing Agreement, dated as of July 1, 2006, among Asset Backed Funding Corporation, as depositor, Option One Mortgage Corporation, as Servicer, and Wells Fargo Bank, N.A., as trustee, we hereby acknowledge that, except as may be specified in any list of exceptions attached hereto, either (i) we have received the original Mortgage Note relating to each of the Mortgage Loans listed on the Mortgage Loan Schedule or (ii) if such original Mortgage Note has been lost, a copy of such original Mortgage Note, together with a lost note affidavit.

**WELLS FARGO BANK, N.A.,  
as Trustee**

By: \_\_\_\_\_

Name:

Title:

**MORTGAGE LOAN PURCHASE AGREEMENT**

[Included as Exhibit 4.2 to the Current Report on Form 8-K pursuant to which this Pooling and Servicing Agreement is filed]



**FORM OF ERISA REPRESENTATION**

Wells Fargo Bank, N.A.  
Sixth and Marquette  
Minneapolis, Minnesota, 55479-0113  
Attn: Client Manager - ABFC, Series 2006-OPT1

Asset Backed Funding Corporation  
214 North Tryon Street  
21st Floor  
Charlotte, North Carolina 28255

Re: ABFC Asset-Backed Certificates, Series 2006-OPT1

Ladies and Gentlemen:

1. [The undersigned is the \_\_\_\_\_ of (the "Transferee") a [corporation duly organized] and existing under the laws of \_\_\_\_\_, on behalf of which he makes this affidavit.] [The undersigned, \_\_\_\_\_, is the transferee (the "Transferee").]
2. The Transferee hereby acknowledges that under the terms of the Pooling and Servicing Agreement (the "Agreement") among Asset Backed Funding Corporation, as depositor (the "Depositor"), Option One Mortgage Corporation, as Servicer, and Wells Fargo Bank, N.A., as trustee (the "Trustee"), no transfer of the ERISA-Restricted Certificates shall be permitted to be made to any person unless the Depositor and the Certificate Registrar (as defined in the Agreement) have received a certificate from such transferee in the form hereof.
3. The Transferee either (x) (i) is not an employee benefit plan subject to Section 406 or Section 407 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") or any materially similar provisions of applicable federal, state or local law ("Similar Law"), the Trustee of any such plan or a person acting on behalf of any such plan nor a person using the assets of any such plan or (ii) (except in the case of the Class R, Class R-X, Class CE and Class P Certificates) is an insurance company which is purchasing such Certificates with funds contained in an "insurance company general account" (as such term is defined in Section V(e) of Prohibited Transaction Class Exemption 95-60 ("PTCE 95-60") and that the purchase and holding of such Certificates are covered under Sections I and III of PTCE 95-60 or (y) (except in the case of the Class R and Class R-X Certificate) shall deliver to the Certificate Registrar and the Depositor an opinion of counsel (a "Benefit Plan Opinion") satisfactory to the Certificate Registrar, and upon which the Certificate Registrar and the Depositor shall be entitled to rely, to the effect that the purchase or holding of such Certificate by the Transferee will not constitute or result in a non-exempt prohibited transaction within the meaning of ERISA or Section 4975 of the Code (or similar provisions of Similar Law) and will not subject the Trustee or the Depositor to any obligation in addition to those undertaken by such entities in the Pooling and Servicing Agreement, which opinion of counsel shall not be an expense of the Trustee or the Depositor.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the Transferee has executed this certificate.

\_\_\_\_\_  
[Transferee]

By: \_\_\_\_\_ Name:

Title:

**FORM OF INVESTMENT LETTER [NON-RULE 144A]**

[DATE]

Asset Backed Funding Corporation  
214 North Tryon Street  
21st Floor  
Charlotte, North Carolina 28255

Wells Fargo Bank, N.A.  
Sixth and Marquette  
Minneapolis, Minnesota, 55479-0113  
Attn: Client Manager - ABFC, Series 2006-OPT1

Ladies and Gentlemen:

In connection with our acquisition of the ABFC Asset-Backed Certificates, Series 2006-OPT1 (the "Certificates"), we certify that (a) we understand that the Certificates are not being registered under the Securities Act of 1933, as amended (the "Act"), or any state securities laws and are being transferred to us in a transaction that is exempt from the registration requirements of the Act and any such laws, (b) we are an "accredited investor," as defined in Regulation D under the Act, and have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of investments in the Certificates, (c) we have had the opportunity to ask questions of and receive answers from the Depositor concerning the purchase of the Certificates and all matters relating thereto or any additional information deemed necessary to our decision to purchase the Certificates, (d) we are acquiring the Certificates for investment for our own account and not with a view to any distribution of such Certificates (but without prejudice to our right at all times to sell or otherwise dispose of the Certificates in accordance with clause (g) below), (e) we agree that the Certificates must be held indefinitely by us and we acknowledge that we are able to bear the economic risk of investment in the Certificates, (f) we have not offered or sold any Certificates to, or solicited offers to buy any Certificates from, any person, or otherwise approached or negotiated with any person with respect thereto, or taken any other action which would result in a violation of Section 5 of the Act, (g) we will not sell, transfer or otherwise dispose of any Certificates unless (1) such sale, transfer or other disposition is made pursuant to an effective registration statement under the Act or is exempt from such registration requirements, and if requested, we will at our expense provide an opinion of counsel satisfactory to the addressees of this Certificate that such sale, transfer or other disposition may be made pursuant to an exemption from the Act, (2) the purchaser or transferee of such Certificate has executed and delivered to you a certificate to substantially the same effect as this certificate, and (3) the purchaser or transferee has otherwise complied with any conditions for transfer set forth in the Pooling and Servicing Agreement and (h) we acknowledge that the Certificates will bear a legend setting forth the applicable restrictions on transfer.

Very truly yours,

**[NAME OF TRANSFEREE]**

By: \_\_\_\_\_  
Authorized Officer

**FORM OF RULE 144A INVESTMENT LETTER**

[DATE]

Asset Backed Funding Corporation  
214 North Tryon Street  
21st Floor  
Charlotte, North Carolina 28255

Wells Fargo Bank, N.A.  
Sixth and Marquette  
Minneapolis, Minnesota, 55479-0113  
Attn: Client Manager - ABFC, Series 2006-OPT1

Re: ABFC Asset-Backed Certificates, Series 2006-OPT1

Ladies and Gentlemen:

In connection with our acquisition of the ABFC Asset-Backed Certificates, Series 2006-OPT1 (the "Certificates"), we certify that (a) we understand that the Certificates are not being registered under the Securities Act of 1933, as amended (the "Act"), or any state securities laws and are being transferred to us in a transaction that is exempt from the registration requirements of the Act and any such laws, (b) we have had the opportunity to ask questions of and receive answers from the Depositor concerning the purchase of the Certificates and all matters relating thereto or any additional information deemed necessary to our decision to purchase the Certificates, (c) we have not, nor has anyone acting on our behalf offered, transferred, pledged, sold or otherwise disposed of the Certificates, any interest in the Certificates or any other similar security to, or solicited any offer to buy or accept a transfer, pledge or other disposition of the Certificates, any interest in the Certificates or any other similar security from, or otherwise approached or negotiated with respect to the Certificates, any interest in the Certificates or any other similar security 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, that would constitute a distribution of the Certificates under the Securities Act or that would render the disposition of the Certificates a violation of Section 5 of the Securities Act or require registration pursuant thereto, nor will act, nor has authorized or will authorize any person to act, in such manner with respect to the Certificates, (d) we are a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act and have completed either of the forms of certification to that effect attached hereto as Annex 1 or Annex 2. We are aware that the sale to us is being made in reliance on Rule 144A. We are acquiring the Certificates for our own account or for resale pursuant to Rule 144A and further, understand that such Certificates may be resold, pledged or transferred only (i) to a person reasonably believed to be a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, or (ii) pursuant to another exemption from registration under the Securities Act.

Very truly yours,

**[NAME OF TRANSFEREE]**

By: \_\_\_\_\_  
Authorized Officer

**QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A**

[For Transferees Other Than Registered Investment Companies]

The undersigned (the "Buyer") hereby certifies as follows to the parties listed in the Rule 144A Transferee Certificate to which this certification relates with respect to the Certificates described therein:

i. As indicated below, the undersigned is the President, Chief Financial Officer, Senior Vice President or other executive officer of the Buyer.

ii. In connection with purchases by the Buyer, the Buyer is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933, as amended ("Rule 144A") because (i) the Buyer owned and/or invested on a discretionary basis \$\_\_\_\_\_((1)) in securities (except for the excluded securities referred to below) as of the end of the Buyer's most recent fiscal year (such amount being calculated in accordance with Rule 144A and (ii) the Buyer satisfies the criteria in the category marked below.

\_\_\_ Corporation, etc. The Buyer is a corporation (other than a bank, savings and loan association or similar institution), Massachusetts or similar business trust, partnership, or charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

\_\_\_ Bank. The Buyer (a) is a national bank or banking institution organized under the laws of any State, territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official or is a foreign bank or equivalent institution, and (b) has an audited net worth of at least \$25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto.

\_\_\_ Savings and Loan. The Buyer (a) is a savings and loan association, building and loan association, cooperative bank, homestead association or similar institution, which is supervised and examined by a State or Federal authority having supervision over any such institutions or is a foreign savings and loan association or equivalent institution and (b) has an audited net worth of at least \$25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto.

\_\_\_ Broker-dealer. The Buyer is a dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

\_\_\_\_\_  
(1) Buyer must own and/or invest on a discretionary basis at least \$\_\_\_\_\_ in securities unless Buyer is a dealer, and, in that case, Buyer must own and/or invest on a discretionary basis at least \$\_\_\_\_\_ in securities.

\_\_\_ Insurance Company. The Buyer is an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a State, territory or the District of Columbia.

\_\_\_ State or Local Plan. The Buyer is a plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of the State or its political subdivisions, for the benefit of its employees.

\_\_\_ ERISA Plan. The Buyer is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.

\_\_\_ Investment Advisor. The Buyer is an investment advisor registered under the Investment Advisors Act of 1940.

\_\_\_ Small Business Investment Company. Buyer is a small business investment company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

\_\_\_ Business Development Company. Buyer is a business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940.

iii. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Buyer, (ii) securities that are part of an unsold allotment to or subscription by the Buyer, if the Buyer is a dealer, (iii) securities issued or guaranteed by the U.S. or any instrumentality thereof, (iv) bank deposit notes and certificates of deposit, (v) loan participations, (vi) repurchase agreements, (vii) securities owned but subject to a repurchase agreement and (viii) currency, interest rate and commodity swaps.

iv. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Buyer, the Buyer used the cost of such securities to the Buyer and did not include any of the securities referred to in the preceding paragraph, except (i) where the Buyer reports its securities holdings in its financial statements on the basis of their market value, and (ii) no current information with respect to

the cost of those securities has been published. If clause (1) in the preceding sentence applies, the securities may be valued at market. Further, in determining such aggregate amount, the Buyer may have included securities owned by subsidiaries of the Buyer, but only if such subsidiaries are consolidated with the Buyer in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Buyer's direction. However, such securities were not included if the Buyer is a majority-owned, consolidated subsidiary of another enterprise and the Buyer is not itself a reporting company under the Securities Exchange Act of 1934, as amended.

v. The Buyer acknowledges that it is familiar with Rule 144A and understands that the seller to it and other parties related to the Certificates are relying and will continue to rely on the statements made herein because one or more sales to the Buyer may be in reliance on Rule 144A.

vi. Until the date of purchase of the Rule 144A Securities, the Buyer will notify each of the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice is given, the Buyer's purchase of the Certificates will constitute a reaffirmation of this certification as of the date of such purchase. In addition, if the Buyer is a bank or savings and loan is provided above, the Buyer agrees that it will furnish to such parties updated annual financial statements promptly after they become available.

---

**Print Name of Buyer**

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_



**QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A**

[For Transferees That are Registered Investment Companies]

The undersigned (the "Buyer") hereby certifies as follows to the parties listed in the Rule 144A Transferee Certificate to which this certification relates with respect to the Certificates described therein:

1. As indicated below, the undersigned is the President, Chief Financial Officer or Senior Vice President of the Buyer or, if the Buyer is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933, as amended ("Rule 144A") because Buyer is part of a Family of Investment Companies (as defined below), is such an officer of the Adviser.

2. In connection with purchases by Buyer, the Buyer is a "qualified institutional buyer" as defined in SEC Rule 144A because (i) the Buyer is an investment company registered under the Investment Company Act of 1940, as amended and (ii) as marked below, the Buyer alone, or the Buyer's Family of Investment Companies, owned at least \$100,000,000 in securities (other than the excluded securities referred to below) as of the end of the Buyer's most recent fiscal year. For purposes of determining the amount of securities owned by the Buyer or the Buyer's Family of Investment Companies, the cost of such securities was used, except (i) where the Buyer or the Buyer's Family of Investment Companies reports its securities holdings in its financial statements on the basis of their market value, and (ii) no current information with respect to the cost of those securities has been published. If clause (ii) in the preceding sentence applies, the securities may be valued at market.

\_\_\_\_ The Buyer owned \$\_\_\_\_\_ in securities (other than the excluded securities referred to below) as of the end of the Buyer's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

\_\_\_\_ The Buyer is part of a Family of Investment Companies which owned in the aggregate \$\_\_\_\_\_ in securities (other than the excluded securities referred to below) as of the end of the Buyer's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

3. The term "Family of Investment Companies" as used herein means two or more registered investment companies (or series thereof) that have the same investment adviser or investment advisers that are affiliated (by virtue of being majority owned subsidiaries of the same parent or because one investment adviser is a majority owned subsidiary of the other).

4. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Buyer or are part of the Buyer's Family of Investment Companies, (ii) securities issued or guaranteed by the U.S. or any instrumentality thereof, (iii) bank deposit notes and certificates of deposit, (iv) loan participations, (v) repurchase agreements, (vi) securities owned but subject to a repurchase agreement and (vii) currency, interest rate and commodity swaps.

5. The Buyer is familiar with Rule 144A and understands that the parties listed in the Rule 144A Transferee Certificate to which this certification relates are relying and will continue to rely on the statements made herein because one or more sales to the Buyer will be in reliance on Rule 144A. In addition, the Buyer will only purchase for the Buyer's own account.

6. Until the date of purchase of the Certificates, the undersigned will notify the parties listed in the Rule 144A Transferee Certificate to which this certification relates of any changes in the information and conclusions herein. Until such notice is given, the Buyer's purchase of the Certificates will constitute a reaffirmation of this certification by the undersigned as of the date of such purchase.

\_\_\_\_\_  
**Print Name of Buyer or Adviser**

By: \_\_\_\_\_  
Name:  
Title:

**IF AN ADVISER:**

\_\_\_\_\_  
**Print Name of Buyer**

Date: \_\_\_\_\_

**FORM OF RESIDUAL CERTIFICATE TRANSFER AFFIDAVIT****ABFC ASSET-BACKED CERTIFICATES, SERIES 2006-OPT1**

STATE OF \_\_\_\_\_ )  
 ) ss. :  
 COUNTY OF \_\_\_\_\_ )

The undersigned, being first duly sworn, deposes and says as follows:

1. The undersigned is [an officer of] \_\_\_\_\_, the

proposed Transferee of an Ownership Interest in the [Class R][Class R-X] Certificates (the "Certificate") issued pursuant to the Pooling and Servicing Agreement, (the "Agreement"), relating to the above-referenced Certificates, among Asset Backed Funding Corporation, as depositor, Option One Mortgage Corporation, as servicer, and Wells Fargo Bank, N.A., as trustee (the "Trustee"). Capitalized terms used, but not defined herein shall have the meanings ascribed to such terms in the Agreement. The Transferee has authorized the undersigned to make this affidavit on behalf of the Transferee.

2. The Transferee is, as of the date hereof, and will be, as of the date of the Transfer, a Permitted Transferee. The Transferee is acquiring its Ownership Interest in the Certificates either (i) for its own account or (ii) as nominee, trustee or agent for another Person and has attached hereto an affidavit from such Person in substantially the same form as this affidavit. The Transferee has no knowledge that any such affidavit is false.

3. The Transferee has been advised of, and understands that (i) a tax will be imposed on Transfers of the Certificate to Persons that are Disqualified Organization; (ii) such tax will be imposed on the transferor, or, if such Transfer is through an agent (which includes a broker, nominee or middleman) for a Person that is a Disqualified Organization, on the agent; and (iii) the Person otherwise liable for the tax shall be relieved of liability for the tax if the subsequent Transferee furnished to such Person an affidavit that such subsequent Transferee is not a Disqualified Organization and, at the time of Transfer, such Person does not have actual knowledge that the affidavit is false.

4. The Transferee has been advised of, and understands that a tax will be imposed on a "pass-through entity" holding the Certificate if at any time during the taxable year of the pass-through entity a Person that is a Disqualified Organization is the record holder of an interest in such entity. The Transferee understands that such tax will not be imposed for any period with respect to which the record holder furnishes to the pass-through entity an affidavit that such record holder is not a Disqualified Organization and the pass-through entity does not have actual knowledge that such affidavit is false. (For this purpose, a "pass-through entity" includes a regulated investment company, a real estate investment trust or common trust fund, a partnership, trust or estate, and certain cooperatives and, except as may be provided in Treasury Regulations, persons holding interests in pass-through entities as a nominee for another Person.)

5. The Transferee has reviewed the provisions of Section 5.02(d) of the Agreement and understands the legal consequences of the acquisition of an Ownership Interest in the Certificate including, without limitation, the restrictions on subsequent Transfers and the provisions regarding voiding the Transfer and mandatory sales. The Transferee expressly agrees to be bound by and to abide by the provisions of Section 5.02(d) of the Agreement and the restrictions noted on the face of the Certificate. The Transferee understands and agrees that any breach of any of the representations included herein shall render the Transfer to the Transferee contemplated hereby null and void.

6. The Transferee agrees to require a Transfer Affidavit from any Person to whom the Transferee attempts to Transfer its Ownership Interest in the Certificate, and in connection with any Transfer by a Person for whom the Transferee is acting as nominee, trustee or agent, and the Transferee will not Transfer its Ownership Interest or cause any Ownership Interest to be Transferred to any Person that the Transferee knows is not a Permitted Transferee. In connection with any such Transfer by the Transferee, the Transferee agrees to deliver to the Trustee a certificate substantially in the form set forth in this Exhibit L to the Agreement (a "Transferor Certificate") to the effect that such Transferee has no actual knowledge that the Person to which the Transfer is to be made is not a Permitted Transferee.

7. The Transferee does not have the intention to impede the assessment or collection of any tax legally required to be paid with respect to the Certificate.

8. The Transferee's taxpayer identification number is \_\_\_\_\_.

9. The Transferee is a U.S. Person as defined in Code Section 7701(a)(30).

10. The Transferee is aware that the Certificate may be a "noneconomic residual interest" within the meaning of Treasury regulations promulgated pursuant to the Code and that the transferor of a noneconomic residual interest will remain liable for any taxes due with respect to the income on such residual interest, unless no significant purpose of the transfer was to impede the assessment or collection of tax.

11. That the Transferee will not cause income from the [Class R][Class R-X] Certificate to be attributable to a foreign permanent establishment or fixed base, within the meaning of an applicable income tax treaty, of the Transferee or any other person.
12. That, if the Transferee is purchasing the [Class R][Class R-X] Certificate in a transfer intended to meet the safe harbor provisions of Treasury Regulations Sections 1.860E-1(c), the Transferee has executed and attached Attachment A hereto.
13. The Transferee is not an employee benefit plan that is subject to ERISA or a plan that is subject to Section 4975 of the Code or a plan or arrangement subject to any materially similar provisions of applicable federal, state or local law, nor are we acting on behalf of such a plan.

IN WITNESS WHEREOF, the Transferee has caused this instrument to be executed on its behalf, pursuant to authority of its Board of Directors, by its duly authorized officer, duly attested, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[NAME OF TRANSFEREE]

By: \_\_\_\_\_  
Name:  
Title:

[Corporate Seal]

**ATTEST:**

[Assistant] Secretary

Personally appeared before me the above-named \_\_\_\_\_, known or proved to me to be the same person who executed the foregoing instrument and to be the \_\_\_\_\_ of the Transferee, and acknowledged that he executed the same as his free act and deed and the free act and deed of the Transferee.

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

---

**NOTARY PUBLIC**

My Commission expires the \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_.

to

**AFFIDAVIT PURSUANT TO SECTION 860E(e)(4) OF  
THE INTERNAL REVENUE CODE OF 1986, AS AMENDED**

Check the appropriate box:

The consideration paid to the Transferee to acquire the [Class R][Class R-X] Certificate equals or exceeds the excess of (a) the present value of the anticipated tax liabilities over (b) the present value of the anticipated savings associated with holding such Certificate, in each case calculated in accordance with U.S. Treasury Regulations Sections 1.860E-1(c)(7) and (8), computing present values using a discount rate equal to the short-term Federal rate prescribed by Section 1274(d) of the Code and the compounding period used by the Transferee.

OR

The transfer of the [Class R][Class R-X] Certificate complies with U.S. Treasury Regulations Sections 1.860E-1(c)(5) and (6) and, accordingly:

(i) the Transferee is an "eligible corporation," as defined in U.S. Treasury Regulations Section 1.860E-1(c)(6)(i), as to which income from [Class R][Class R-X] Certificate will only be taxed in the United States;

(ii) at the time of the transfer, and at the close of the Transferee's two fiscal years preceding the year of the transfer, the Transferee had gross assets for financial reporting purposes (excluding any obligation of a person related to the Transferee within the meaning of U.S. Treasury Regulations Section 1.860E-1(c)(6)(ii)) in excess of \$100 million and net assets in excess of \$10 million;

(iii) the Transferee will transfer the [Class R][Class R-X] Certificate only to another "eligible corporation," as defined in U.S. Treasury Regulations Section 1.860E-1(c)(6)(i), in a transaction that satisfies the requirements of Sections 1.860E-1(c)(4)(i), (ii) and (iii) and Section 1.860E-1(c)(5) of the U.S. Treasury Regulations;

(iv) the Transferee has determined the consideration paid to it to acquire the [Class R][Class R-X] Certificate based on reasonable market assumptions (including, but not limited to, borrowing and investment rates, prepayment and loss assumptions, expense and reinvestment assumptions, tax rates and other factors specific to the Transferee) that it has determined in good faith; and

(v) in the event of any transfer of the [Class R][Class R-X] Certificate by the Transferee, the Transferee will require its transferee to complete a representation in the form of this Attachment A as a condition of the transferee's purchase of the [Class R][Class R-X] Certificate.

**FORM OF TRANSFEROR CERTIFICATE**

[DATE]

Wells Fargo Bank, N.A.  
Sixth and Marquette  
Minneapolis, Minnesota, 55479-0113  
Attn: Client Manager - ABFC, Series 2006-OPT1

Asset Backed Funding Corporation  
214 North Tryon Street  
21st Floor  
Charlotte, North Carolina 28255

Re: ABFC Asset-Backed Certificates, Series 2006-OPT1

Ladies and Gentlemen:

In connection with our disposition of the ABFC Asset-Backed Certificates, Series 2006-OPT1 (the "Certificates"), we certify that (a) we understand that the Certificates have not been registered under the Securities Act of 1933, as amended (the "Act"), and are being disposed by us in a transaction that is exempt from the registration requirements of the Act, (b) we have not offered or sold any Certificates to, or solicited offers to buy any Certificates from, any person, or otherwise approached or negotiated with any person with respect thereto, in a manner that would be deemed, or taken any other action which would result in, a violation of Section 5 of the Act, (c) to the extent we are disposing of the [Class R][Class R-X] Certificate, we have no knowledge the Transferee is not a Permitted Transferee and (d) no purpose of the proposed disposition of the [Class R][Class R-X] Certificate is to impede the assessment or collection of tax.

Very truly yours,

[\_\_\_\_\_]

By: \_\_\_\_\_

EXHIBIT M

## MONTHLY INFORMATION DELIVERED BY SERVICER

Column Name	DESCRIPTION	Decimal	Comment	Max Size
LOAN_NBR	A unique identifier assigned to each loan by the originator.		Text up to 10 digits	10
SER_INVESTOR_NBR	A value assigned by the Servicer to define a group of loans.		Text up to 10 digits	20
SERVICER_LOAN_NBR	A unique number assigned to a loan by the Servicer. This may be different than the LOAN_NBR.		Text up to 10 digits	10
BORR_NEXT_PAY_DUE_DATE	The date at the end of processing cycle that the Borrower's next payment is due to the Servicer, as reported by Servicer.		MM/DD/YYYY	10
NOTE_INT_RATE	The loan interest rate as reported by the Servicer.	4	Max length of 6	6
ACTL_END_PRIN_BAL	The Borrower's actual principal balance at the end of the processing cycle.	2	No commas(,) or dollar signs (\$)	11
SCHED_END_PRIN_BAL	The scheduled principal balance due to the investors at the end of a processing cycle.	2	No commas(,) or dollar signs (\$)	11
ACTL_BEG_PRIN_BAL	The Borrower's actual principal balance at the beginning of the processing cycle.	2	No commas(,) or dollar signs (\$)	11
SCHED_BEG_PRIN_BAL	The scheduled outstanding principal amount due at the beginning of the cycle date to be passed through to the investors.	2	No commas(,) or dollar signs (\$)	11
SCHED_PAY_AMT	The scheduled monthly principal and scheduled interest payment that a Borrower is expected to pay; P&I constant.	2	No commas(,) or dollar signs (\$)	11
SCHED_PRIN_AMT	The scheduled principal amount as reported by the Servicer for the current cycle.	2	No commas(,) or dollar signs (\$)	11
SERV_CURT_AMT_1	The first curtailment amount to be applied.	2	No commas(,) or dollar signs (\$)	11
SERV_CURT_AMT_2	The second curtailment amount to be applied.	2	No commas(,) or dollar signs (\$)	11
SERV_CURT_AMT_3	The third curtailment amount to be applied.	2	No commas(,) or dollar signs (\$)	11
ACTION_CODE	The standard FNMA numeric code used to indicate the default/delinquent status of a particular loan.		Action Code Key: 15=Bankruptcy, 30=Foreclosure, 70=REO, 60=PIF, 63= Substitution, 65=Repurchase;	2
PIF_AMT	The loan "paid in full" amount as reported by the Servicer.	2	No commas(,) or dollar signs (\$)	11
PIF_DATE	The paid in full date as reported by the Servicer.		MM/DD/YYYY	10
SCHED_GROSS_INTEREST_AMT	The amount of interest due on the outstanding scheduled principal balance in the current cycle.	2	No commas(,) or dollar signs (\$)	11
LOAN_FEE_AMT	The monthly loan fee amount expressed in dollars and cents.	2	No commas(,) or dollar signs (\$)	11
SERV_FEE_RATE	The Servicer's fee rate for a loan as reported by the Servicer.	4	Max length of 6	6
CR_LOSS_AMT	The amount of loss that is classified as a credit.	2	No commas(,) or dollar signs (\$)	11
FRAUD_LOSS_AMT	The amount of loss that is attributable to a fraud claim.	2	No commas(,) or dollar signs (\$)	11
BANKRUPTCY_LOSS_AMT	The amount of loss due to bankruptcy.	2	No commas(,) or dollar signs (\$)	11
SPH_LOSS_AMT	The amount of loss that is classified as a special hazard.	2	No commas(,) or dollar signs (\$)	11
PREPAY_PENALTY_AMT	The penalty amount received when a Borrower prepays on his loan as reported by the Servicer.	2	No commas(,) or dollar signs (\$)	11
PREPAY_PENALTY_WAIVED	The prepayment penalty amount for the loan waived by the Servicer.	2	No commas(,) or dollar signs (\$)	11
MOD_DATE	The effective payment date of the modification for the loan.		MM/DD/YYYY	10
MOD_TYPE	The modification type.		Varchar - value can be alpha or	30

numeric

DELINQ\_P&I\_ADVANCE\_AMT

The current outstanding principal and interest advances made by the Servicer.

2

No commas(,) or dollar signs (\$)

11



**Form of Interest Rate Swap Agreement**

[Included as Exhibit 10.4 to the Current Report on Form 8-K pursuant to which this Pooling and Servicing Agreement is filed]

**Form of Sarbanes-Oxley Certification**

**ABFC 2006-OPT1 TRUST,  
ASSET-BACKED CERTIFICATES, SERIES 2006-OPT1**

I, [identify the certifying individual] of Asset Backed Funding Corporation (the "Depositor"), certify that:

1. I have reviewed this report on Form 10-K, and all reports on Form 10-D required to be filed in respect of the period covered by this report on Form 10-K of the ABFC 2006-OPT1 Trust (the "Exchange Act Periodic Reports");
2. Based on my knowledge, the Exchange Act Periodic Reports, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, all of the distribution, servicing and other information required to be provided under Form 10-D for the period covered by this report is included in the Exchange Act Periodic Reports;
4. Based on my knowledge and the servicer compliance statements required in this report under Item 1123 of Regulation AB, and except as disclosed in the Exchange Act Periodic Reports, the servicers have fulfilled their obligations under the pooling and servicing agreement, dated August 10, 2006, among Asset Backed Funding Corporation, Option One Mortgage Corporation and Wells Fargo Bank, N.A.; and;
5. All of the reports on assessment of compliance with the servicing criteria for asset-backed securities and their related attestation reports on assessment of compliance with servicing criteria for asset-backed securities required to be included in this report in accordance with Item 1122 of Regulation AB and Exchange Act Rules 13a-18 and 15d-18 have been included as an exhibit to this report, except as otherwise disclosed in this report. Any material instances of noncompliance described in such reports have been disclosed in this report on Form 10-K.

In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties: Option One Mortgage Corporation and Wells Fargo Bank, N.A.

By: \_\_\_\_\_ Name:

Title:

**Form of Certification to be Provided by the Trustee to the Depositor**

**ABFC 2006-OPT1 TRUST,  
ASSET-BACKED CERTIFICATES, SERIES 2006-OPT1**

The Trustee hereby certifies to Asset Backed Funding Corporation and its officers, directors and affiliates, and with the knowledge and intent that they will rely upon this certification, that:

1. I have reviewed the annual report on Form 10-K for the fiscal year [\_\_\_] (the "Annual Report"), and all reports on Form 10-D required to be filed in respect of period covered by the Annual Report (collectively with the Annual Report, the "Reports"), of the ABFC 2006-OPT1 Trust;
2. To my knowledge, the Reports, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Annual Report; and
3. To my knowledge, the distribution information required to be provided by the Trustee under the Pooling and Servicing Agreement, dated as of August 10, 2006, among Asset Backed Funding Corporation, as depositor, Option One Mortgage Corporation, as Servicer (the "Servicer"), and Wells Fargo Bank, N.A., as trustee (the "Trustee") (the "Pooling and Servicing Agreement"), for inclusion the Reports is included in the Report.
4. I am responsible for reviewing the activities performed by the Trustee under the Pooling Agreement, and based on my knowledge and the compliance review conducted in preparing the compliance statement of the Trustee required in the Annual Report under Item 1123 of Regulation AB, and except as disclosed in the Reports, the Trustee has fulfilled its obligations under the Pooling Agreement in all material respects; and
5. The report on assessment of compliance with servicing criteria for asset-backed securities of the Trustee and its related attestation report on assessment of compliance with servicing criteria required to be included in the Annual Report in accordance with Item 1122 of Regulation AB and Exchange Act Rules 13a-18 and 15d-18 has been included as an exhibit to the Annual Report. Any material instances of non-compliance are described in such report and have been disclosed in the Annual Report.

**WELLS FARGO BANK, N.A., as Trustee**

By: \_\_\_\_\_

Name:

Title:

**Form of Certification to be Provided by the Servicer to the Depositor**

**ABFC 2006-OPT1 TRUST,  
ASSET-BACKED CERTIFICATES, SERIES 2006-OPT1**

I, [identify the certifying individual], certify to Asset Backed Funding Corporation and its officers, directors and affiliates, and with the knowledge and intent that they will rely upon this certification, that:

1. I have reviewed the servicer compliance statement of the Servicer and the compliance statements of each Subservicer, if any, engaged by the Servicer provided to the Depositor and the Trustee for the Trust's fiscal year [\_\_\_\_] in accordance with Item 1123 of Regulation AB (each a "Compliance Statement"), the report on assessment of the Servicer's compliance with the Servicing Criteria and reports on assessment of compliance with Servicing Criteria of each Subservicer or Subcontractor, if any, engaged or utilized by the Servicer provided to the Depositor and the Trustee for the Trust's fiscal year [\_\_\_\_] in accordance with Rules 13a-18 and 15d-18 under Securities Exchange Act of 1934, as amended (the "Exchange Act") and Item 1122 of Regulation AB (each a "Servicing Assessment"), the registered public accounting firm's attestation report provided in accordance with Rules 13a-18 and 15d-18 under the Exchange Act and Section 1122(b) of Regulation AB related to each Servicing Assessment (each a "Attestation Report"), and all servicing reports, officer's certificates and other information relating to the servicing of the Mortgage Loans by the Servicer during 20 that were delivered or caused to be delivered by the Servicer pursuant to the Pooling and Servicing Agreement, dated as of August 10, 2006 (the "Agreement"), among Asset Backed Funding Corporation, as depositor, Option One Mortgage Corporation, as servicer (the "Servicer"), and Wells Fargo Bank, N.A., as trustee (the "Trustee") (collectively, the "Servicing Information");
2. Based on my knowledge, the Servicing Information taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, all of the servicing information required to be provided to the Trustee by the Servicer pursuant to the Agreement has been provided to the Trustee;
4. I am responsible for reviewing the activities performed by the Servicer and based upon my knowledge and the compliance review conducted in preparing the servicer compliance statement required in this report under Item 1123 of Regulation AB, and except as disclosed in the compliance statement, the Servicer has fulfilled its obligations under the Agreement; and
5. The Servicing Assessment of the Servicer and of each Subservicer or Subcontractor, if any, engaged or utilized by the Servicer and its related Attestation Report required to be included in the Annual Report on Form 10-K for the Trust's fiscal year [\_\_\_\_] in accordance with Item 1122 of Regulation AB and Exchange Act Rules 13a-18 and 15d-18 has been provided to the Depositor and the Trustee. Any material instances of non compliance are described in any such Servicing Assessment or Attestation Report.

**OPTION ONE MORTGAGE CORPORATION**

By: \_\_\_\_\_

Name:

Title:

**Servicing Criteria to be Addressed in Assessment of Compliance**

Reference	SERVICING CRITERIA	APPLICABLE SERVICING CRITERIA	
		Servicer	Trustee
General Servicing Considerations			
1122(d)(1)(i)	Policies and procedures are instituted to monitor any performance or other triggers and events of default in accordance with the transaction agreements.	X	X
1122(d)(1)(ii)	If any material servicing activities are outsourced to third parties, policies and procedures are instituted to monitor the third party's performance and compliance with such servicing activities.	X	X
1122(d)(1)(iii)	Any requirements in the transaction agreements to maintain a back-up servicer for the mortgage loans are maintained.		
1122(d)(1)(iv)	A fidelity bond and errors and omissions policy is in effect on the party participating in the servicing function throughout the reporting period in the amount of coverage required by and otherwise in accordance with the terms of the transaction agreements.	X	
Cash Collection and Administration			
1122(d)(2)(i)	Payments on mortgage loans are deposited into the appropriate custodial bank accounts and related bank clearing accounts no more than two business days following receipt, or such other number of days specified in the transaction agreements.	X	X
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	X	X
1122(d)(2)(iii)	Advances of funds or guarantees regarding collections, cash flows or distributions, and any interest or other fees charged for such advances, are made, reviewed and approved as specified in the transaction agreements.	X	X
1122(d)(2)(iv)	The related accounts for the transaction, such as cash reserve accounts or accounts established as a form of overcollateralization, are separately maintained (e.g., with respect to commingling of cash) as set forth in the transaction agreements.	X	X
1122(d)(2)(v)	Each custodial account is maintained at a federally insured depository institution as set forth in the transaction agreements. For purposes of this criterion, "federally insured depository institution" with respect to a foreign financial institution means a foreign financial institution that meets the requirements of Rule 13k-1(b)(1) of the Securities Exchange Act.	X	X
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	X	X
1122(d)(2)(vii)	Reconciliations are prepared on a monthly basis for all asset-backed securities related bank accounts, including custodial accounts and related bank clearing accounts. These reconciliations are (A) mathematically accurate; (B) prepared within 30 calendar days after the bank statement cutoff date, or such other number of days specified in the transaction agreements; (C) reviewed and approved by someone other than the person who prepared the reconciliation; and (D) contain explanations for reconciling items. These reconciling items are resolved within 90 calendar days of their original identification, or such other number of days specified in the transaction agreements.	X	X
Investor Remittances and Reporting			

1122(d)(3)(i)	Reports to investors, including those to be filed with the Commission, are maintained in accordance with the transaction agreements and applicable Commission requirements. Specifically, such reports (A) are prepared in accordance with timeframes and other terms set forth in the transaction agreements; (B) provide information calculated in accordance with the terms specified in the transaction agreements; (C) are filed with the Commission as required by its rules and regulations; and (D) agree with investors' or the trustee's records as to the total unpaid principal balance and number of mortgage loans serviced by the Servicer.	X	X
1122(d)(3)(ii)	Amounts due to investors are allocated and remitted in accordance with timeframes, distribution priority and other terms set forth in the transaction agreements.	X	X
1122(d)(3)(iii)	Disbursements made to an investor are posted within two business days to the Servicer's investor records, or such other number of days specified in the transaction agreements.	X	X
1122(d)(3)(iv)	Amounts remitted to investors per the investor reports agree with cancelled checks, or other form of payment, or custodial bank statements.	X	X
Pool Asset Administration			
1122(d)(4)(i)	Collateral or security on mortgage loans is maintained as required by the transaction agreements or related mortgage loan documents.	X	X
1122(d)(4)(ii)	Mortgage loan and related documents are safeguarded as required by the transaction agreements	X	X
1122(d)(4)(iii)	Any additions, removals or substitutions to the asset pool are made, reviewed and approved in accordance with any conditions or requirements in the transaction agreements.	X	
1122(d)(4)(iv)	Payments on mortgage loans, including any payoffs, made in accordance with the related mortgage loan documents are posted to the Servicer's obligor records maintained no more than two business days after receipt, or such other number of days specified in the transaction agreements, and allocated to principal, interest or other items (e.g., escrow) in accordance with the related mortgage loan documents.	X	
1122(d)(4)(v)	The Servicer's records regarding the mortgage loans agree with the Servicer's records with respect to an obligor's unpaid principal balance.	X	
1122(d)(4)(vi)	Changes with respect to the terms or status of an obligor's mortgage loans (e.g., loan modifications or re-agings) are made, reviewed and approved by authorized personnel in accordance with the transaction agreements and related pool asset documents.	X	
1122(d)(4)(vii)	Loss mitigation or recovery actions (e.g., forbearance plans, modifications and deeds in lieu of foreclosure, foreclosures and repossessions, as applicable) are initiated, conducted and concluded in accordance with the timeframes or other requirements established by the transaction agreements.	X	
1122(d)(4)(viii)	Records documenting collection efforts are maintained during the period a mortgage loan is delinquent in accordance with the transaction agreements. Such records are maintained on at least a monthly basis, or such other period specified in the transaction agreements, and describe the entity's activities in monitoring delinquent mortgage loans including, for example, phone calls, letters and payment rescheduling plans in cases where delinquency is deemed temporary (e.g., illness or unemployment).	X	
1122(d)(4)(ix)	Adjustments to interest rates or rates of return for mortgage loans with variable rates are computed based	X	

1122(d)(4)(x)	Regarding any funds held in trust for an obligor (such as escrow accounts): (A) such funds are analyzed, in accordance with the obligor's mortgage loan documents, on at least an annual basis, or such other period specified in the transaction agreements; (B) interest on such funds is paid, or credited, to obligors in accordance with applicable mortgage loan documents and state laws; and (C) such funds are returned to the obligor within 30 calendar days of full repayment of the related mortgage loans, or such other number of days specified in the transaction agreements.	X	
1122(d)(4)(xi)	Payments made on behalf of an obligor (such as tax or insurance payments) are made on or before the related penalty or expiration dates, as indicated on the appropriate bills or notices for such payments, provided that such support has been received by the servicer at least 30 calendar days prior to these dates, or such other number of days specified in the transaction agreements.	X	
1122(d)(4)(xii)	Any late payment penalties in connection with any payment to be made on behalf of an obligor are paid from the Servicer's funds and not charged to the obligor, unless the late payment was due to the obligor's error or omission.	X	
1122(d)(4)(xiii)	Disbursements made on behalf of an obligor are posted within two business days to the obligor's records maintained by the Servicer, or such other number of days specified in the transaction agreements.	X	
1122(d)(4)(xiv)	Delinquencies, charge-offs and uncollectible accounts are recognized and recorded in accordance with the transaction agreements.	X	X
1122(d)(4)(xv)	Any external enhancement or other support, identified in Item 1114(a)(1) through (3) or Item 1115 of Regulation AB, is maintained as set forth in the transaction agreements.		X

**[OPTION ONE MORTGAGE CORPORATION] [WELLS FARGO BANK, N.A.]**

Date: \_\_\_\_\_

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ADDITIONAL FORM 10-D INFORMATION**

Item on Form 10-D Item 1: Distribution and Pool Performance Information	Party Responsible
Information included in the Distribution Date Statement Any information required by 1121 which is NOT included on the Distribution Date Statement	Servicer Trustee Depositor
Item 2: Legal Proceedings	
Any legal proceeding pending against the following entities or their respective property, that is material to Certificateholders, including any proceeding known to be contemplated by governmental authorities:	
o Issuing Entity (Trust Fund)	Trustee and Servicer(1)
o Sponsor (Seller)	Depositor
o Depositor	Depositor
o Trustee	Trustee
o Servicer	Servicer
o 1110(b) Originator	Depositor
o Any 1108(a)(3) Servicer (other than the Servicer or Trustee)	Servicer
o Any other party contemplated by 1100(d)(1)	Depositor
Item 3: Sale of Securities and Use of Proceeds Information from Item 2(a) of Part II of Form 10-Q:	Depositor
With respect to any sale of securities by the sponsor, depositor or issuing entity, that are backed by the same asset pool or are otherwise issued by the issuing entity, whether or not registered, provide the sales and use of proceeds information in Item 701 of Regulation S-K. Pricing information can be omitted if securities were not registered. If information has been previously included in a Current Report of Form 8-K, it need not be furnished.	
(1) To the extent the Servicer has actual knowledge or should have actual knowledge of such proceeding	



Item 4: Defaults Upon Senior Securities Trustee

Information from Item 3 of Part II of Form 10-Q:

Report the occurrence of any Event of Default (after expiration of any grace period and provision of any required notice)

Item 5: Submission of Matters to a Vote of Security Holders Trustee

Information from Item 4 of Part II of Form 10-Q

Item 6: Significant Obligators of Pool Assets Depositor

Item 1112(b) - Significant Obligor Financial Information\*

\*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Item.

Item 7: Significant Enhancement Provider Information

Item 1114(b)(2) - Credit Enhancement Provider Financial Information\*

o Determining applicable disclosure threshold Depositor

o Requesting required financial information (including any required accountants' consent to the use thereof) or effecting incorporation by reference Depositor

Item 1115(b) - Derivative Counterparty Financial Information\*

o Determining current maximum probable exposure Depositor

o Determining current significance percentage Depositor, Trustee

o Requesting required financial information (including any required accountants' consent to the use thereof) or effecting incorporation by reference Depositor

\*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Items.

Item 8: Other Information

Disclose any information required to be reported on Form 8-K during the period covered by the Form 10-D but not reported Any party responsible for the applicable Form 8-K Disclosure item

Item 9: Exhibits

Distribution Date Statement to Certificateholders Trustee

Exhibits required by Item 601 of Regulation S-K Depositor, unless previously filed under Current Report on Form 8-K

## ADDITIONAL FORM 10-K INFORMATION

## ADDITIONAL FORM 10-K INFORMATION

Item on Form 10-K	Party Responsible
Item 1B: Unresolved Staff Comments	Depositor
Item 9B: Other Information Disclose any information required to be reported on Form 8-K during the fourth quarter covered by the Form 10-K but not reported	Any party responsible for disclosure items on Form 8-K
Item 15: Exhibits, Financial Statement Schedules	Trustee Depositor
Reg AB Item 1112(b): Significant Obligors of Pool Assets	
Significant Obligor Financial Information*	Depositor
*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Item.	
Reg AB Item 1114(b)(2): Credit Enhancement Provider Financial Information*	
<input type="checkbox"/> Determining applicable disclosure threshold	Depositor
<input type="checkbox"/> Requesting required financial information (including any required accountants' consent to the use thereof) or effecting incorporation by reference	Depositor
*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Items.	
Reg AB Item 1115(b): Derivative Counterparty Financial Information*	
<input type="checkbox"/> Determining current maximum probable exposure	Depositor
<input type="checkbox"/> Determining current significance percentage	Depositor, Trustee
<input type="checkbox"/> Requesting required financial information (including any required accountants' consent to the use thereof) or effecting incorporation by reference	Depositor
*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Items.	
Reg AB Item 1117: Legal Proceedings	
Any legal proceeding pending against the following entities or their respective property, that is material to Certificateholders, including any proceeding known to be contemplated by governmental authorities:	

o Issuing Entity (Trust Fund) Trustee and Servicer(1)

- o Sponsor (Seller) Depositor
- o Depositor Depositor
- o Trustee Trustee
- o Servicer Servicer
- o 1110(b) Originator Depositor
- o Any 1108(a)(3) Servicer (other than the Servicer or Trustee) Servicer
- o Any other party contemplated by 1100(d)(1) Depositor

(1) To the extent the Servicer has actual knowledge or should have actual knowledge of such proceeding.

Reg AB Item 1119: Affiliations and Relationships

Whether (a) the Sponsor (Seller), Depositor or Issuing Entity is an affiliate of the following parties, and (b) to the extent known and material, any of the following parties are affiliated with one another:

Depositor as to (a) with respect to the Depositor and the Sponsor  
Trustee and/or Servicer as to (a) with respect to the Issuing Entity

- o Servicer Servicer
- o Trustee Trustee
- o Any other 1108(a)(3) servicer Servicer
- o Any 1110 Originator Depositor
- o Any 1112(b) Significant Obligor Depositor
- o Any 1114 Credit Enhancement Provider Depositor
- o Any 1115 Derivate Counterparty Provider Depositor
- o Any other 1101(d)(1) material party Depositor

Whether there are any "outside the ordinary course business arrangements" other than would be obtained in an arm's length transaction between (a) the Sponsor (Seller), Depositor or Issuing Entity on the one hand, and (b) any of the following parties (or their affiliates) on the other hand, that exist currently or within the past two years and that are material to a Certificateholder's understanding of the Certificates:

Depositor as to (a) with respect to the Depositor and the Sponsor  
Trustee and/or Servicer as to (a) with respect to the Issuing Entity

- o Servicer Servicer
- o Trustee Trustee
- o Any other 1108(a)(3) servicer Servicer
- o Any 1110 Originator Depositor
- o Any 1112(b) Significant Obligor Depositor
- o Any 1114 Credit Enhancement Provider Depositor
- o Any 1115 Derivate Counterparty Provider Depositor
- o Any other 1101(d)(1) material party Depositor

Whether there are any specific relationships involving the transaction or the pool assets between

Depositor as to (a) with respect to the Depositor and the Sponsor

(a) the Sponsor (Seller), Depositor or Trustee and/or servicer as to (a) with respect to the Issuing Entity Issuing Entity on the one hand, and (b) any of the following parties (or their affiliates) on the other hand, that exist currently or within the past two years and that are material:

- o Servicer Servicer
- o Trustee Trustee
- o Any other 1108(a)(3) servicer Servicer
- o Any 1110 Originator Depositor
- o Any 1112(b) Significant Obligor Depositor
- o Any 1114 Credit Enhancement Provider Depositor
- o Any 1115 Derivate Counterparty Provider Depositor
- o Any other 1101(d)(1) material party Depositor

## FORM 8-K INFORMATION

**Item on Form 8-K Party Responsible****Item 1.01- Entry into a Material All parties  
Definitive Agreement**

Disclosure is required regarding entry into or amendment of any definitive agreement that is material to the securitization, even if depositor is not a party.

Examples: servicing agreement, custodial agreement.

Note: disclosure not required as to definitive agreements that are fully disclosed in the prospectus

**Item 1.02- Termination of a Material All parties  
Definitive Agreement**

Disclosure is required regarding termination of any definitive agreement that is material to the securitization (other than expiration in accordance with its terms), even if depositor is not a party.

Examples: servicing agreement, custodial agreement.

**Item 1.03- Bankruptcy or Receivership**

Disclosure is required regarding the bankruptcy or receivership, with respect to any of the following:

o Sponsor (Seller)	Depositor
o Depositor	Depositor
o Servicer	Servicer
o Affiliated Servicer	Servicer
o Other Servicer servicing 20% or more of the pool assets at the time of the report	Servicer
o Other material servicers	Servicer
o Trustee	Trustee
o Significant Obligor	Depositor
o Credit Enhancer (10% or more)	Depositor
o Derivative Counterparty	Depositor
Item 2.04- Triggering Events that Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement	Depositor Servicer Trustee
Includes an early amortization,	

performance trigger or other event, including event of default, that would materially alter the payment priority/distribution of cash flows/amortization schedule.

Disclosure will be made of events other than waterfall triggers which are disclosed in the monthly statements to the certificateholders.

Item 3.03- Material Modification to Rights of Security Holders Trustee

Disclosure is required of any material modification to documents defining the rights of Certificateholders, including the Pooling and Servicing Agreement.

Item 5.03- Amendments of Articles of Incorporation or Bylaws; Change of Fiscal Year Trustee  
Depositor

Disclosure is required of any amendment "to the governing documents of the issuing entity".

Item 6.01- ABS Informational and Computational Material Depositor

Item 6.02- Change of Servicer or Trustee Trustee  
Servicer

Requires disclosure of any removal, replacement, substitution or addition of any master servicer, affiliated servicer, other servicer servicing 10% or more of pool assets at time of report, other material servicers or trustee.

Reg AB disclosure about any new servicer or master servicer is also required. Trustee  
Servicer

Reg AB disclosure about any new Trustee is also required. Trustee

Item 6.03- Change in Credit Enhancement or External Support Depositor  
Trustee

Covers termination of any enhancement in manner other than by its terms, the addition of an enhancement, or a material change in the enhancement provided. Applies to external credit enhancements as well as derivatives.

Reg AB disclosure about any new enhancement provider is also required. Depositor

Item 6.04- Failure to Make a Required Distribution Trustee

Item 6.05- Securities Act Updating Disclosure Depositor

If any material pool characteristic differs by 5% or more at the time of issuance of the securities from the description in the final prospectus, provide updated Reg AB disclosure about the actual asset pool.

If there are any new servicers or originators required to be disclosed under Regulation AB as a result of the foregoing, provide the information called for in Items 1108 and 1110 respectively. Depositor

Item 7.01- Reg FD Disclosure All parties

Item 8.01- Other Events

Depositor

Any event, with respect to which information is not otherwise called for in Form 8-K, that the registrant deems of importance to certificateholders.

Item 9.01- Financial Statements and Exhibits

Depositor  
Trustee

**Form of Additional Transfer Instrument****ADDITIONAL TRANSFER INSTRUMENT**

Pursuant to this Additional Transfer Instrument, dated August [ ], 2006 (the "Instrument"), between Asset Backed Funding Corporation (the "Depositor"), as seller, and Wells Fargo Bank, N.A., as trustee of the ABFC 2006-OPT1 Trust (the "Trust"), as purchaser (the "Trustee"), and pursuant to the Pooling and Servicing Agreement, dated as of July 1, 2006 (the "Pooling and Servicing Agreement"), among the Depositor, Option One Mortgage Corporation, as servicer (the "Servicer"), and the Trustee, the Depositor and the Trustee agree to the sale by the Depositor and the purchase by the Trustee, on behalf of the Trust, of the Mortgage Loans listed on the attached Schedule of Additional Group 3 Mortgage Loans set forth in Attachment B (the "Additional Group 3 Mortgage Loans").

Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Pooling and Servicing Agreement.

**Section 1. Conveyance of Additional Group 3 Mortgage Loans.**

(a) The Depositor, concurrently with the execution and delivery hereof, does hereby sell, transfer, assign, set over and otherwise convey to the Trustee, on behalf of the Trust, without recourse for the benefit of the Certificateholders, all the right, title and interest of the Depositor, including any security interest therein for the benefit of the Depositor, in and to (i) each Additional Group 3 Mortgage Loan, including all amounts due on the Additional Group 3 Mortgage Loans including the related Cut-off Date Principal Balance, all interest accruing thereon after the Subsequent Cut-off Date and all collections in respect of interest and principal due after the Subsequent Cut-off Date, and all items with respect to the Additional Group 3 Mortgage Loans to be delivered pursuant to Section 2.01 of the Pooling and Servicing Agreement; provided, however that the Depositor reserves and retains all right, title and interest in and to amounts due on the Additional Group 3 Mortgage Loans on or prior to the related Subsequent Cut-off Date, (ii) property which secured each such Additional Group 3 Mortgage Loan and which has been acquired by foreclosure or deed in lieu of foreclosure; (iii) its interest in any insurance policies in respect of the Additional Group 3 Mortgage Loans; (iv) all proceeds of any of the foregoing and (v) the rights of the Depositor under the Additional Mortgage Loan Purchase Agreement. The Depositor, contemporaneously with the delivery of this Agreement, has delivered or caused to be delivered to the Trustee each item set forth in Section 2.01 of the Pooling and Servicing Agreement. The transfer to the Trustee by the Depositor of the Additional Group 3 Mortgage Loans identified on Attachment B shall be absolute and is intended by the Depositor, the Servicer, the Trustee and the Certificateholders to constitute and to be treated as a sale by the Depositor to the Trust Fund.

(b) The Depositor, concurrently with the execution and delivery hereof, does hereby transfer, assign, set over and otherwise convey to the Trustee without recourse for the benefit of the Certificateholders all the right, title and interest of the Depositor, in, to and under the Additional Mortgage Loan Purchase Agreement and the Depositor herewith delivers to the Trustee executed copies of the Additional Mortgage Loan Purchase Agreement.

(c) The Trustee acknowledges the assignment to it of the Additional Group 3 Mortgage Loans and the delivery to it of the related Mortgage Files, subject to the provisions of Sections 2.01 and 2.02 of the Pooling and Servicing Agreement.

(d) Additional terms of the sale are set forth on Attachment A hereto.

**Section 2. Representations and Warranties; Conditions Precedent.**

(a) The Depositor hereby confirms that each of the conditions precedent and the representations and warranties set forth in Section 2.04 of the Pooling and Servicing Agreement are satisfied as of the date hereof.

(b) The Depositor hereby confirms that each of the representations and warranties in Section 2.06 of the Pooling and Servicing Agreement are true and correct as of the date hereof, provided, however that any references in such section to Mortgage Loan shall be deemed to refer to Additional Group 3 Mortgage Loan.

(c) All terms and conditions of the Pooling and Servicing Agreement are hereby ratified and confirmed; provided, however, that in the event of any conflict, the provisions of this Instrument shall control over the conflicting provisions of the Pooling and Servicing Agreement.

**Section 3. Recordation of Instrument.**

To the extent permitted by applicable law, this Instrument, or a memorandum thereof if permitted under applicable law, is subject to recordation in all appropriate public offices for real property records in all of the counties or other comparable jurisdictions in which any or all of the properties subject to the Mortgages are situated, and in any other appropriate public recording office or elsewhere, such recordation to be effected by the Servicer at the Certificateholders' expense on direction of the related Certificateholders, but only when accompanied by an Opinion of Counsel to the effect that such recordation materially and beneficially affects the interests of the Certificateholders or is necessary for the administration or servicing of the Mortgage Loans.



This Instrument 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, without giving effect to principles of conflicts of law.

Section 5. Counterparts.

This Instrument 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 instrument.

Section 6. Successors and Assigns.

This Instrument shall inure to the benefit of and be binding upon the Depositor and the Trustee and their respective successors and assigns.

ASSET BACKED FUNDING CORPORATION

By: \_\_\_\_\_

Name:

Title:

WELLS FARGO BANK, N.A., as Trustee for  
Asset Backed Funding Corporation  
Asset-Backed Certificates, Series  
**2006-OPT1**

By: \_\_\_\_\_

Name:

Title:

**ADDITIONAL TERMS OF SALE**

**A. General**

1. Subsequent Cut-off Date: August 1, 2006
2. Additional Transfer Date: August [ ], 2006
3. Aggregate Principal Balance of the Additional Group 3 Mortgage Loans as of the Subsequent Cut-off Date: \$[\_\_\_\_\_]
4. Purchase Price: 100.00%

B. The obligation of the Trust Fund to purchase an Additional Group 3 Mortgage Loan on any Additional Transfer Date is subject to the satisfaction of the conditions set forth in the following paragraphs and the accuracy of the following representations and warranties with respect to each Additional Group 3 Mortgage Loan determined as of the applicable Subsequent Cut-off Date: (i) such Additional Group 3 Mortgage Loan is not 30 or more days delinquent as of the last day of the month preceding the Subsequent Cut-off Date; (ii) the original term to stated maturity of such Additional Group 3 Mortgage Loan is not less than 120 months and does not exceed 360 months; (iii) the Additional Group 3 Mortgage Loan does not provide for negative amortization; (iv) such Additional Group 3 Mortgage Loan does not have a Combined Loan-to-Value Ratio greater than 100.00%; (v) all of the Additional Group 3 Mortgage Loans have, as of the Subsequent Cut-off Date, a weighted average term to stated maturity not in excess of 360 months; (vi) each Additional Group 3 Mortgage Loan that is a Fixed-Rate Mortgage Loan has a Mortgage Interest Rate that is not less than 3.000% or greater than 14.700%; (vii) each Additional Group 3 Mortgage Loan has been serviced by the Servicer since origination or the date of purchase; (viii) each Additional Group 3 Mortgage Loan has a first payment date occurring on or before September 1, 2006 and will include 30 days of interest thereon, (ix) each Additional Group 3 Mortgage Loan that is an Adjustable-Rate Mortgage Loan has a Gross Margin not less than 0.500%, a Maximum Mortgage Interest Rate not less than 9.500% and a Minimum Mortgage Interest Rate not less than 5.500% and (xii) such Additional Group 3 Mortgage Loan has been underwritten in accordance with the criteria set forth under "Underwriting Standards" in the Prospectus Supplement.

C. Following the purchase of any Additional Group 3 Mortgage Loan by the Trust, no Group 3 Mortgage Loan (including such Additional Group 3 Mortgage Loans) has as of the Subsequent Cut-off Date: (i) a Mortgage Interest Rate less than 3.000% per annum or greater than 14.700% per annum; (ii) a Combined Loan-to-Value Ratio greater than 100.00%; (iii) a Principal Balance greater than \$1,700,000; or (iv) a credit score less than 500. In addition, no Adjustable-Rate Mortgage Loan in Group 3 will have a Gross Margin less than 0.500% per annum and all of the Group 3 Mortgage Loans will have a weighted average original term to stated maturity of not more than 360 months.

D. Notwithstanding the foregoing, any Additional Group 3 Mortgage Loan may be rejected by (i) the NIMs Insurer, if any, or (ii) any Rating Agency if the inclusion of such Additional Group 3 Mortgage Loan would adversely affect the ratings on any class of Certificates.

ATTACHMENT B

**SCHEDULE OF ADDITIONAL GROUP 3 MORTGAGE LOANS**

EXHIBIT I

**Form of Addition Notice**

**ADDITION NOTICE**

[\_\_\_\_\_], 2006

Wells Fargo Bank, N.A.  
9062 Old Annapolis Road  
Columbia, Maryland 21045  
Attention: Corporate Trust Services- ABFC 2006-OPT1

Re: Pooling and Servicing Agreement, dated as of July 1, 2006 among Asset Backed Funding Corporation, as Depositor, Option One Mortgage Corporation, as Servicer, and Wells Fargo Bank, N.A., as Trustee.

Ladies and Gentlemen:

Pursuant to Section 2.04 of the referenced Pooling and Servicing Agreement, Asset Backed Funding Corporation has designated Additional Group 3 Mortgage Loans to be sold to the Trust on [\_\_\_\_\_], 2006, with an aggregate Principal Balance of \$[\_\_\_\_\_]. Capitalized terms not otherwise defined herein have the meaning set forth in the Pooling and Servicing Agreement.

Please acknowledge your receipt of this notice by countersigning the enclosed copy in the space indicated below and returning it to the attention of the undersigned.

**Form of Additional Disclosure Notification**

**\*\*SEND TO WELLS FARGO VIA FAX TO 410-715-2380 AND VIA EMAIL TO cts.sec.notifications@wellsfargo.com AND VIA OVERNIGHT MAIL TO THE ADDRESS IMMEDIATELY BELOW. SEND TO THE DEPOSITOR AT THE ADDRESS BELOW\*\***

Wells Fargo Bank, N.A. as Trustee  
9062 Old Annapolis Road  
Columbia, Maryland 21045  
Fax: (410) 715-2380  
E-mail: cts.sec.notifications@wellsfargo.com

[insert name and address of Depositor]

Attn: Corporate Trust Services - [DEAL NAME]-SEC REPORT PROCESSING

RE: **\*\*Additional Form [ ] Disclosure\*\*Required**

Ladies and Gentlemen:

In accordance with Section [ ] of the Pooling and Servicing Agreement, dated as of [ ] [ ], 2006, among [ ], as [ ], [ ], as [ ], [ ], as [ ] and [ ], as [ ]. The Undersigned, as [ ], hereby notifies you that certain events have come to our attention that [will][may] need to be disclosed on Form [ ].

**Description of Additional Form [ ] Disclosure:**

List of Any Attachments hereto to be included in the Additional Form [ ] Disclosure:

Any inquiries related to this notification should be directed to [ ], phone number: [ ]; email address: [ ].

**[NAME OF PARTY]**  
as [role]

By: \_\_\_\_\_  
Name:  
Title:

**Additional Mortgage Loan Purchase Agreement**

**BANK OF AMERICA, NATIONAL ASSOCIATION,**

**as Seller**

**and**

**ASSET BACKED FUNDING CORPORATION,**

**as Purchaser**

**ADDITIONAL MORTGAGE LOAN PURCHASE AGREEMENT**

**Dated as of August [ ], 2006**

**Adjustable-Rate and Fixed-Rate Mortgage Loans**

**Asset Backed Funding Corporation Asset-Backed Certificates, Series 2006-OPT1**

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**WITNESSETH**

WHEREAS, the Seller is the owner of (a) the notes or other evidences of indebtedness (the "Mortgage Notes") so indicated on Schedule I hereto referred to below and (b) the other documents or instruments constituting the Mortgage File (collectively, the "Additional Group 3 Mortgage Loans"); and

WHEREAS, the Seller, as of the date hereof, owns the mortgages (the "Mortgages") on the properties (the "Mortgaged Properties") securing such Additional Group 3 Mortgage Loans, including rights to (a) any property acquired by foreclosure or deed in lieu of foreclosure or otherwise and (b) the proceeds of any insurance policies covering the Additional Group 3 Mortgage Loans or the Mortgaged Properties or the obligors on the Additional Group 3 Mortgage Loans; and

WHEREAS, the parties hereto desire that the Seller sell the Additional Group 3 Mortgage Loans to the Purchaser pursuant to the terms of this Agreement; and

WHEREAS, pursuant to the terms of an Additional Transfer Instrument, dated as of August [ ], 2006 (the "Additional Transfer Instrument"), between the Purchaser, as depositor, and Wells Fargo Bank, N.A., as trustee (the "Trustee"), the Purchaser will convey the Additional Group 3 Mortgage Loans to ABFC 2006-OPT1 Trust (the "Trust").

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

**ARTICLE I.**

**DEFINITIONS**

Section 1.01 Definitions. All capitalized terms used but not defined herein and below shall have the meanings assigned thereto in the Pooling and Servicing Agreement, dated as of July 1, 2006 (the "Pooling and Servicing Agreement"), among the Purchaser, as depositor, Option One Mortgage Corporation, as servicer, and the Trustee.

**ARTICLE II.**

**SALE OF ADDITIONAL GROUP 3 MORTGAGE LOANS; PAYMENT OF PURCHASE PRICE**

Section 2.01 Sale of Additional Group 3 Mortgage Loans. The Seller, concurrently with the execution and delivery of this Agreement, does hereby sell, assign, set over, and otherwise convey to the Purchaser, without recourse,

(i) all of its right, title and interest in and to each Additional Group 3 Mortgage Loan, including the related Cut-off Date Principal Balance, all interest accruing thereon on or after the Subsequent Cut-off Date and all collections in respect of interest and principal due after the Subsequent Cut-off Date; (ii) property which secured such Additional Group 3 Mortgage Loan and which has been acquired by foreclosure or deed in lieu of foreclosure; (iii) its interest in any insurance policies in respect of the Additional Group 3 Mortgage Loans and (iv) all proceeds of any of the foregoing.

Section 2.02 Obligations of the Seller Upon Sale. In connection with any transfer pursuant to Section 2.01 hereof, the Seller further agrees, at its own expense on or prior to the Additional Transfer Date, (a) to cause its books and records to indicate that the Additional Group 3 Mortgage Loans have been sold to the Purchaser pursuant to this Agreement and (b) to deliver to the Purchaser and the Trustee a computer file containing a true and complete list of all such Additional Group 3 Mortgage Loans specifying for each such Additional Group 3 Mortgage Loan, as of the Subsequent Cut-off Date, (i) its account number and

(ii) its Cut-off Date Principal Balance. Such file, which forms a part of the Mortgage Loan Schedule, shall also be marked as Schedule I to this Agreement and is hereby incorporated into and made a part of this Agreement.

In connection with any conveyance by the Seller, the Seller shall on behalf of the Purchaser deliver to, and deposit with the Trustee, as assignee of the Purchaser, on or before the Additional Transfer Date, the following documents or instruments with respect to each Additional Group 3 Mortgage Loan:

(i) the original Mortgage Note, endorsed in blank or with respect to any lost Mortgage Note, an original Lost Note Affidavit, together with a copy of the related Mortgage Note;

(ii) the original Mortgage with evidence of recording thereon, and the original recorded power of attorney, if the Mortgage was executed pursuant to a power of attorney, with evidence of recording thereon or, if such Mortgage or power of attorney has been submitted for recording but has not been returned from the applicable public recording office, has been lost or is not otherwise available, a copy of such Mortgage or power of attorney, as the case may be, certified to be a true and complete copy of the original submitted for recording;

(iii) an original Assignment of Mortgage (which may be in blank), in form and substance acceptable for recording; provided, however, if the

related Mortgage has been recorded in the name of Mortgage Electronic Registration Systems, Inc. (MERS) or its designee, no Assignment of Mortgage in favor of the Trustee will be required to be prepared or delivered and instead, the Servicer shall take all actions as are necessary to cause the Trust to be shown as the owner of the related Mortgage Loan on the records of MERS for purposes of the system of recording transfers of beneficial ownership of mortgages maintained by MERS;

(iv) an original copy of any intervening assignment of Mortgage showing a complete chain of assignments;

(v) the original or a certified copy of lender's title insurance policy; and

(vi) the original or copies of each assumption, modification, written assurance or substitution agreement, if any.

The Seller hereby confirms to the Purchaser and the Trustee that it has caused the appropriate entries to be made in its general accounting records to indicate that such Additional Group 3 Mortgage Loans have been transferred to the Trustee and constitute part of the Trust in accordance with the terms of the Pooling and Servicing Agreement.

If any of the documents referred to in Section 2.02(ii), (iii) or

(iv) above has as of the Additional Transfer Date been submitted for recording but either (x) has not been returned from the applicable public recording office or (y) has been lost or such public recording office has retained the original of such document, the obligations of the Seller to deliver such documents shall be deemed to be satisfied upon (1) delivery to the Trustee, no later than the Additional Transfer Date, of a copy of each such document certified by the Seller in the case of (x) above or the applicable public recording office in the case of (y) above to be a true and complete copy of the original that was submitted for recording and (2) if such copy is certified by the Seller, delivery to the Trustee, promptly upon receipt thereof of either the original or a copy of such document certified by the applicable public recording office to be a true and complete copy of the original. The Seller shall deliver or cause to be delivered to the Trustee promptly upon receipt thereof any other documents constituting a part of a Mortgage File received with respect to any Additional Group 3 Mortgage Loan, including, but not limited to, any original documents evidencing an assumption or modification of any Additional Group 3 Mortgage Loan.

Upon discovery or receipt of notice of any materially defective document in, or that a document is missing from, a Mortgage File, the Seller shall have 120 days to cure such defect or deliver such missing document to the Trustee or 150 days following the Additional Transfer Date, in the case of missing Mortgages or Assignments of Mortgage (or within 90 days of the earlier of Seller's discovery or receipt of notification if such defect would cause the related Additional Group 3 Mortgage Loan not to be a "qualified mortgage" for REMIC purposes or that the Additional Group 3 Mortgage Loan is defective in a manner that would cause it to be a "defective obligation" within the meaning of Treasury regulations relating to REMICs). If the Seller does not cure such defect or deliver such missing document within such time period, the Seller shall either repurchase or substitute for such Additional Group 3 Mortgage Loan in accordance with Section 2.03 of the Pooling and Servicing Agreement.

The Purchaser hereby acknowledges its acceptance of all right, title and interest to the Additional Group 3 Mortgage Loans and other property, now existing and hereafter created, conveyed to it pursuant to Section 2.01.

The parties hereto intend that the transaction set forth herein be a sale by the Seller to the Purchaser of all the Seller's right, title and interest in and to the Additional Group 3 Mortgage Loans and other property described above. In the event the transaction set forth herein is deemed not to be a sale, the Seller hereby grants to the Purchaser a security interest in all of the Seller's right, title and interest in, to and under the Additional Group 3 Mortgage Loans and other property described above, whether now existing or hereafter created, to secure all of the Seller's obligations hereunder; and this Agreement shall constitute a security agreement under applicable law.

Section 2.03 Payment of Additional Group 3 Mortgage Loans Purchase Price.

In consideration of the sale of the Additional Group 3 Mortgage Loans from the Seller to the Purchaser on the Additional Transfer Date, the Purchaser agrees to pay \$[ ] on the Additional Transfer Date (the "Additional Group 3 Mortgage Loans Purchase Price").

### ARTICLE III.

#### REPRESENTATIONS AND WARRANTIES; REMEDIES FOR BREACH

Section 3.01 Seller Representations and Warranties Relating to the Additional Group 3 Mortgage Loans.

The Seller and the Purchaser understand, acknowledge and agree that, the representations and warranties set forth in this Section 3.01 are made as of the Additional Transfer Date or as of the date specifically provided herein.

The Seller hereby represents and warrants to the Purchaser with respect to the Additional Group 3 Mortgage Loans that each of the representations and warranties made by the Seller pursuant to Section 3.01 of the Mortgage Loan Purchase Agreement, dated July 1, 2006 (the "MLPA") between the Seller and the Purchaser, are true and correct as of the Additional Transfer Date; provided, however, that any references in the MLPA to Cut-off Date shall be a reference to Subsequent Cut-off Date herein, that any references in the MLPA to Mortgage Loan shall be a reference to Additional Group 3 Mortgage Loan herein and that any references in the MLPA to Closing Date shall be a reference to

Section 3.02 Seller Representations and Warranties Relating to the Seller.

The Seller represents, warrants and covenants to the Purchaser that each of the representations and warranties made by the Seller pursuant to Section 3.02 of the MLPA are true and correct as of the Additional Transfer Date; provided, however, that any references in the MLPA to Cut-off Date shall be a reference to Subsequent Cut-off Date, that any references in the MLPA to Mortgage Loan shall be a reference to Additional Group 3 Mortgage Loan and that any references in the MLPA to Closing Date shall be a reference to Additional Transfer Date.

Section 3.03 Remedies for Breach of Representations and Warranties.

It is understood and agreed that the representations and warranties set forth in Subsections 3.01 and 3.02 of the MLPA shall survive the sale of the Additional Group 3 Mortgage Loans to the Purchaser and shall inure to the benefit of the Purchaser, notwithstanding any restrictive or qualified endorsement on any Mortgage Note or Assignment or the examination or lack of examination of any Mortgage File. With respect to the representations and warranties contained in the MLPA that are made to the knowledge or the best knowledge of the Seller, or as to which the Seller has no knowledge, if it is discovered that the substance of any such representation and warranty is inaccurate and the inaccuracy materially and adversely affects the value of the related Additional Group 3 Mortgage Loan, or the interest therein of the Purchaser or the Purchaser's assignee, designee or transferee, then notwithstanding the Seller's lack of knowledge with respect to the substance of such representation and warranty being inaccurate at the time the representation and warranty was made, such inaccuracy shall be deemed a breach of the applicable representation and warranty and the Seller shall take such action described in the following paragraphs of this Section 3.03 in respect of such Additional Group 3 Mortgage Loan.

Upon discovery by either the Seller or the Purchaser of a breach of any of the foregoing representations and warranties that materially and adversely affects the value of the Additional Group 3 Mortgage Loans or the interest of the Purchaser (or which materially and adversely affects the interests of the Purchaser in the related Additional Group 3 Mortgage Loan in the case of a representation and warranty relating to a particular Additional Group 3 Mortgage Loan), the party discovering such breach shall give prompt written notice to the other. Subject to the second paragraph of Section 3.01 of the MLPA, within 90 days of the earlier of its discovery or its receipt of notice of any breach of a representation or warranty, the Seller shall promptly cure such breach in all material respects, or in the event such breach cannot be cured, the Seller shall repurchase the affected Additional Group 3 Mortgage Loan or cause the removal of such Mortgage Loan from the Trust Fund and substitute for it one or more Eligible Substitute Mortgage Loans, in either case, in accordance with Section 2.03 of the Pooling and Servicing Agreement.

It is understood and agreed that the representations and warranties set forth in Sections 3.01 and 3.02 of the MLPA shall survive delivery of the respective Mortgage Files to the Trustee on behalf of the Purchaser.

It is understood and agreed that the obligations of the Seller set forth in this Section 3.03 to cure, repurchase and substitute for a defective Additional Group 3 Mortgage Loan constitute the sole remedy of the Purchaser respecting a missing or defective document or a breach of the representations and warranties contained in Section 3.01 or 3.02 of the MLPA.

**ARTICLE IV.**

**SELLER'S COVENANTS**

Section 4.01 Covenants of the Seller. The Seller hereby covenants that except for the transfer hereunder, the Seller will not sell, pledge, assign or transfer to any other Person, or grant, create, incur or assume or suffer to exist any lien on any Additional Group 3 Mortgage Loan, or any interest therein; the Seller will notify the Trustee, as assignee of the Purchaser, of the existence of any lien on any Additional Group 3 Mortgage Loan immediately upon discovery thereof, and the Seller will defend the right, title and interest of the Trust, as assignee of the Purchaser, in, to and under the Additional Group 3 Mortgage Loans, against all claims of third parties claiming through or under the Seller; provided, however, that nothing in this Section 4.01 shall prevent or be deemed to prohibit the Seller from suffering to exist upon any of the Additional Group 3 Mortgage Loans, any liens for municipal or other local taxes and other governmental charges if such taxes or governmental charges shall not at the time be due and payable or if the Seller shall currently be contesting the validity thereof in good faith by appropriate proceedings and shall have set aside on its books adequate reserves with respect thereto.

**ARTICLE V.**

**[RESERVED]**

**ARTICLE VI**

**TERMINATION**

Section 6.01 Termination. The respective obligations and responsibilities of the Seller and the Purchaser created hereby shall terminate, except for the Seller's indemnity obligations as provided herein upon the termination of the Trust as provided in Article X of the Pooling and Servicing

**ARTICLE VII.****MISCELLANEOUS PROVISIONS**

Section 7.01 Amendment. This Agreement may be amended from time to time by the Seller and the Purchaser, by written agreement signed by the Seller and the Purchaser.

Section 7.02 Governing Law. This Agreement shall be governed by and 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 7.03 Notices. All demands, notices and communications 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, addressed as follows: (i) if to the Seller, Bank of America, National Association, 214 North Tryon Street, Charlotte, North Carolina 28255, Attention: General Counsel or such other address as may hereafter be furnished to the Purchaser in writing by the Seller and (ii) if to the Purchaser, Asset Backed Funding Corporation, 214 North Tyron Street 21st Floor, Charlotte, North Carolina 28255, Attention: Juanita Deane-Warner, or such other address as may hereafter be furnished to the Seller in writing by the Purchaser.

Section 7.04 Severability of Provisions. If any one or more of the covenants, agreements, provisions of terms of this Agreement shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity of enforceability of the other provisions of this Agreement.

Section 7.05 Counterparts. 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 and such counterparts, together, shall constitute one and the same agreement.

Section 7.06 Further Agreements. The Purchaser and the Seller each agree to execute and deliver to the other such additional documents, instruments or agreements as may be necessary or reasonable and appropriate to effectuate the purposes of this Agreement or in connection with the issuance of any Series of Certificates representing interests in the Additional Group 3 Mortgage Loans.

Section 7.07 Intention of the Parties. It is the intention of the parties that the Purchaser is purchasing, and the Seller is selling, the Additional Group 3 Mortgage Loans rather than pledging the Additional Group 3 Mortgage Loans to secure a loan by the Purchaser to the Seller. Accordingly, the parties hereto each intend to treat the transaction for federal income tax purposes and all other purposes as a sale by the Seller, and a purchase by the Purchaser, of the Additional Group 3 Mortgage Loans. The Purchaser will have the right to review the Additional Group 3 Mortgage Loans and the related Mortgage Files to determine the characteristics of the Additional Group 3 Mortgage Loans which will affect the federal income tax consequences of owning the Additional Group 3 Mortgage Loans and the Seller will cooperate with all reasonable requests made by the Purchaser in the course of such review.

Section 7.08 Successors and Assigns; Assignment of Purchase Agreement. This Agreement shall bind and inure to the benefit of and be enforceable by the Seller, the Purchaser and the Trustee.

The obligations of the Seller under this Agreement cannot be assigned or delegated to a third party without the consent of the Purchaser which consent shall be at the Purchaser's sole discretion, except that the Purchaser acknowledges and agrees that the Seller may assign its obligations hereunder to any Person into which the Seller is merged or any corporation resulting from any merger, conversion or consolidation to which the Seller is a party or any Person succeeding to the business of the Seller. The parties hereto acknowledge that the Purchaser is acquiring the Additional Group 3 Mortgage Loans for the purpose of contributing them to a trust that will issue a series of Certificates representing undivided interests in such Additional Group 3 Mortgage Loans. As an inducement to the Purchaser to purchase the Additional Group 3 Mortgage Loans, the Seller acknowledges and consents to the assignment by the Purchaser to the Trustee of all of the Purchaser's rights against the Seller pursuant to this Agreement insofar as such rights relate to Additional Group 3 Mortgage Loans transferred to the Trustee and to the enforcement or exercise of any right or remedy against the Seller pursuant to this Agreement by the Trustee. Such enforcement of a right or remedy by the Trustee shall have the same force and effect as if the right or remedy had been enforced or exercised by the Purchaser directly.

Section 7.09 Survival. The representations and warranties incorporated by reference in Sections 3.01 and 3.02 and the provisions of Article V hereof shall survive the purchase of the Additional Group 3 Mortgage Loans hereunder.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused their names to be signed to this Additional Mortgage Loan Purchase Agreement by their respective officers thereunto duly authorized as of the day and year first above written.

**ASSET BACKED FUNDING CORPORATION**

By: \_\_\_\_\_

Name: Juanita L. Deane-Walker

Title: Vice President

**BANK OF AMERICA, NATIONAL  
ASSOCIATION**

By: \_\_\_\_\_

Name: Bruce W. Good

Title: Vice President

**SCHEDULE**

**ADDITIONAL GROUP 3 MORTGAGE LOANS**

# EXHIBIT B

STRUCTURED ASSET SECURITIES CORPORATION, as Depositor,

AURORA LOAN SERVICES LLC, as Master Servicer,

CLAYTON FIXED INCOME SERVICES INC., as Credit Risk Manager,

and

WELLS FARGO BANK, N.A., as Trustee

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TRUST AGREEMENT

Dated as of January 1, 2007

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STRUCTURED ASSET SECURITIES CORPORATION  
MORTGAGE LOAN TRUST 2007-BC1  
MORTGAGE PASS-THROUGH CERTIFICATES  
SERIES 2007-BC1

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This TRUST AGREEMENT, dated as of January 1, 2007 (the “Agreement”), is by and among STRUCTURED ASSET SECURITIES CORPORATION, a Delaware corporation, as depositor (the “Depositor”), WELLS FARGO BANK, N.A., as trustee (the “Trustee”), AURORA LOAN SERVICES LLC, as master servicer (the “Master Servicer”) and CLAYTON FIXED INCOME SERVICES INC., as credit risk manager (the “Credit Risk Manager”).

#### PRELIMINARY STATEMENT

The Depositor has acquired the Mortgage Loans from the Seller, and at the Closing Date is the owner of the Mortgage Loans and the other property being conveyed by it to the Trustee hereunder for inclusion in the Trust Fund. On the Closing Date, the Depositor will acquire the Certificates from the Trust Fund, as consideration for its transfer to the Trust Fund of the Mortgage Loans and the other property constituting the Trust Fund. The Depositor has duly authorized the execution and delivery of this Agreement to provide for the conveyance to the Trustee of the Mortgage Loans and the other property constituting the Trust Fund. All covenants and agreements made by the Seller in the Mortgage Loan Sale Agreement and by the Depositor, the Master Servicer and the Trustee herein with respect to the Mortgage Loans and the other property constituting the Trust Fund are for the benefit of the Holders from time to time of the Certificates and, to the extent provided herein, any NIMS Insurer, the Cap Counterparty and the Swap Counterparty. The Depositor, the Trustee, the Master Servicer and the Credit Risk Manager are entering into this Agreement, and the Trustee is accepting the Trust Fund created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

As provided herein, an election shall be made that the Trust Fund (exclusive of (i) the Swap Agreement, (ii) the Swap Account, (iii) the right to receive and the obligation to pay Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls, (iv) the Basis Risk Reserve Fund, (v) the Supplemental Interest Trust, (vi) the right to receive FPD Premiums and PPTL Premiums, (vii) the obligation to pay Class I Shortfalls, (viii) the Interest Rate Cap Agreement, (ix) the Interest Rate Cap Account and (x) the Collateral Account (collectively, the “Excluded Trust Assets”)) be treated for federal income tax purposes as comprising four real estate mortgage investment conduits under Section 860D of the Code (each a “REMIC” or, in the alternative “REMIC 1,” “REMIC 2,” “REMIC 3,” and “REMIC 4” (REMIC 4 also being referred to as the “Upper Tier REMIC”)). Any inconsistencies or ambiguities in this Agreement or in the administration of this Agreement shall be resolved in a manner that preserves the validity of such REMIC elections.

Each Certificate, other than the Class R and Class LT-R Certificates, represents ownership of a regular interest in the Upper Tier REMIC for purposes of the REMIC Provisions. In addition, each Certificate, other than the Class R, Class LT-R, Class X and Class P Certificates, represents (i) the right to receive payments with respect to any Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls and (ii) the obligation to pay Class I Shortfalls. The Class LT-R Certificate represents ownership of the sole Class of residual interest in REMIC 1. The Class R Certificate represents ownership of the sole Class of residual interest in each of REMIC 2, REMIC 3, and the Upper Tier REMIC for purposes of the REMIC Provisions.

The Upper Tier REMIC shall hold as its assets the uncertificated Lower Tier Interests in REMIC 3, other than the Class LT3-R interest, and each such Lower Tier Interest is hereby designated as a regular interest in REMIC 3 for purposes of the REMIC Provisions. REMIC 3 shall hold as its assets the uncertificated Lower Tier Interests in REMIC 2, other than the Class LT2-R interest, and each such Lower Tier Interest is hereby designated as a regular interest in REMIC 2. REMIC 2 shall hold as its assets the uncertificated Lower Tier Interests in REMIC 1, and each such Lower Tier Interest is hereby designated as a regular interest in REMIC 1. REMIC 1 shall hold as its assets the property of the Trust Fund other than the Lower Tier Interests in REMIC 1, REMIC 2, and REMIC 3 and the Excluded Trust Assets.

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The startup day for each REMIC created hereby for purposes of the REMIC Provisions is the Closing Date. In addition, for purposes of the REMIC Provisions, the latest possible maturity date for each regular interest in each REMIC created hereby is the Latest Possible Maturity Date.

**REMIC 1:**

REMIC 1 shall issue one uncertificated interest in respect of each Mortgage Loan held by the Trust Fund on the Closing Date, each of which is hereby designated as a regular interest in REMIC 1 (the "REMIC 1 Regular Interests"). REMIC 1 shall also issue the Class LT-R Certificate, which shall represent the sole class of residual interest in REMIC 1. Each REMIC 1 Regular Interest shall have an initial principal balance equal to the Scheduled Principal Balance of the Mortgage Loan to which it relates and shall bear interest at a per annum rate equal to the Net Mortgage Rate of such Mortgage Loan. In the event a Qualified Substitute Mortgage Loan is substituted for such Mortgage Loan (the "Original Mortgage Loan"), no amount of interest payable on such Qualified Substitute Mortgage Loan shall be distributed on such REMIC 1 Regular Interest at a rate in excess of the Net Mortgage Rate of the Original Mortgage Loan.

On each Distribution Date, the Trustee shall first pay or charge as an expense of REMIC 1 all expenses of the Trust Fund for such Distribution Date, other than any expenses in respect of the Swap Agreement.

On each Distribution Date the Trustee shall distribute the aggregate Interest Remittance Amount (net of expenses described in the preceding paragraph) with respect to each of the Lower Tier Interests in REMIC 1 based on the above-described interest rates.

On each Distribution Date, the Trustee shall distribute the aggregate Principal Remittance Amount among the Lower Tier Interests in REMIC 1 in accordance with the amount of the Principal Remittance Amount attributable to the Mortgage Loan corresponding to each such Lower Tier Interest in REMIC 1. All losses on the Mortgage Loans shall be allocated among the Lower Tier Interests in REMIC 1 in the same manner that principal distributions are allocated.

On each Distribution Date, the Trustee shall distribute the Prepayment Premiums collected during the preceding Prepayment Period to the Lower Tier Interest in REMIC 1 corresponding to the Mortgage Loan with respect to which such amounts were received.

**REMIC 2:**

The following table sets forth the designations, principal balances and interest rates for each interest in REMIC 2, each of which (other than the Class LT2-R Lower Tier Interest) is hereby designated as a regular interest in REMIC 2 (the “REMIC 2 Regular Interests”):

<b>Class Designation</b>	<b>Initial Principal Balance</b>	<b>Interest Rate</b>
LT2-A	\$ 56,458,983.62	(1)
LT2-F1	\$ 17,400,500.00	(2)
LT2-V1	\$ 17,400,500.00	(3)
LT2-F2	\$ 16,886,500.00	(2)
LT2-V2	\$ 16,886,500.00	(3)
LT2-F3	\$ 16,388,000.00	(2)
LT2-V3	\$ 16,388,000.00	(3)
LT2-F4	\$ 15,903,500.00	(2)
LT2-V4	\$ 15,903,500.00	(3)
LT2-F5	\$ 15,434,000.00	(2)
LT2-V5	\$ 15,434,000.00	(3)
LT2-F6	\$ 14,977,500.00	(2)
LT2-V6	\$ 14,977,500.00	(3)
LT2-F7	\$ 14,535,500.00	(2)
LT2-V7	\$ 14,535,500.00	(3)
LT2-F8	\$ 14,106,000.00	(2)
LT2-V8	\$ 14,106,000.00	(3)
LT2-F9	\$ 13,689,000.00	(2)
LT2-V9	\$ 13,689,000.00	(3)
LT2-F10	\$ 13,284,500.00	(2)
LT2-V10	\$ 13,284,500.00	(3)
LT2-F11	\$ 12,950,000.00	(2)
LT2-V11	\$ 12,950,000.00	(3)
LT2-F12	\$ 16,047,500.00	(2)
LT2-V12	\$ 16,047,500.00	(3)
LT2-F13	\$ 15,926,500.00	(2)
LT2-V13	\$ 15,926,500.00	(3)
LT2-F14	\$ 15,745,000.00	(2)
LT2-V14	\$ 15,745,000.00	(3)
LT2-F15	\$ 15,624,000.00	(2)
LT2-V15	\$ 15,624,000.00	(3)
LT2-F16	\$ 15,321,000.00	(2)
LT2-V16	\$ 15,321,000.00	(3)
LT2-F17	\$ 15,139,500.00	(2)
LT2-V17	\$ 15,139,500.00	(3)
LT2-F18	\$ 14,836,500.00	(2)
LT2-V18	\$ 14,836,500.00	(3)
LT2-F19	\$ 14,594,500.00	(2)



<b>Class Designation</b>	<b>Initial Principal Balance</b>	<b>Interest Rate</b>
LT2-V19	\$ 14,594,500.00	(3)
LT2-F20	\$ 14,291,500.00	(2)
LT2-V20	\$ 14,291,500.00	(3)
LT2-F21	\$ 13,928,500.00	(2)
LT2-V21	\$ 13,928,500.00	(3)
LT2-F22	\$ 13,565,000.00	(2)
LT2-V22	\$ 13,565,000.00	(3)
LT2-F23	\$ 46,871,500.00	(2)
LT2-V23	\$ 46,871,500.00	(3)
LT2-F24	\$ 25,192,000.00	(2)
LT2-V24	\$ 25,192,000.00	(3)
LT2-F25	\$ 21,982,000.00	(2)
LT2-V25	\$ 21,982,000.00	(3)
LT2-F26	\$ 16,714,000.00	(2)
LT2-V26	\$ 16,714,000.00	(3)
LT2-F27	\$ 13,080,500.00	(2)
LT2-V27	\$ 13,080,500.00	(3)
LT2-F28	\$ 10,355,500.00	(2)
LT2-V28	\$ 10,355,500.00	(3)
LT2-F29	\$ 8,296,500.00	(2)
LT2-V29	\$ 8,296,500.00	(3)
LT2-F30	\$ 6,782,500.00	(2)
LT2-V30	\$ 6,782,500.00	(3)
LT2-F31	\$ 5,510,500.00	(2)
LT2-V31	\$ 5,510,500.00	(3)
LT2-F32	\$ 4,542,000.00	(2)
LT2-V32	\$ 4,542,000.00	(3)
LT2-F33	\$ 4,299,500.00	(2)
LT2-V33	\$ 4,299,500.00	(3)
LT2-F34	\$ 4,057,500.00	(2)
LT2-V34	\$ 4,057,500.00	(3)
LT2-F35	\$ 3,875,500.00	(2)
LT2-V35	\$ 3,875,500.00	(3)
LT2-F36	\$ 3,694,000.00	(2)
LT2-V36	\$ 3,694,000.00	(3)
LT2-F37	\$ 3,512,500.00	(2)
LT2-V37	\$ 3,512,500.00	(3)
LT2-F38	\$ 3,330,500.00	(2)
LT2-V38	\$ 3,330,500.00	(3)
LT2-F39	\$ 3,209,500.00	(2)
LT2-V39	\$ 3,209,500.00	(3)
LT2-F40	\$ 2,967,500.00	(2)
LT2-V40	\$ 2,967,500.00	(3)
LT2-F41	\$ 2,906,500.00	(2)

<b>Class Designation</b>	<b>Initial Principal Balance</b>	<b>Interest Rate</b>
LT2-V41	\$ 2,906,500.00	(3)
LT2-F42	\$ 2,725,000.00	(2)
LT2-V42	\$ 2,725,000.00	(3)
LT2-F43	\$ 2,604,000.00	(2)
LT2-V43	\$ 2,604,000.00	(3)
LT2-F44	\$ 2,483,000.00	(2)
LT2-V44	\$ 2,483,000.00	(3)
LT2-F45	\$ 2,301,000.00	(2)
LT2-V45	\$ 2,301,000.00	(3)
LT2-F46	\$ 2,241,000.00	(2)
LT2-V46	\$ 2,241,000.00	(3)
LT2-F47	\$ 2,119,500.00	(2)
LT2-V47	\$ 2,119,500.00	(3)
LT2-F48	\$ 2,059,000.00	(2)
LT2-V48	\$ 2,059,000.00	(3)
LT2-F49	\$ 1,877,000.00	(2)
LT2-V49	\$ 1,877,000.00	(3)
LT2-F50	\$ 1,817,000.00	(2)
LT2-V50	\$ 1,817,000.00	(3)
LT2-F51	\$ 1,756,000.00	(2)
LT2-V51	\$ 1,756,000.00	(3)
LT2-F52	\$ 1,635,000.00	(2)
LT2-V52	\$ 1,635,000.00	(3)
LT2-F53	\$ 1,574,500.00	(2)
LT2-V53	\$ 1,574,500.00	(3)
LT2-F54	\$ 1,514,000.00	(2)
LT2-V54	\$ 1,514,000.00	(3)
LT2-F55	\$ 1,393,000.00	(2)
LT2-V55	\$ 1,393,000.00	(3)
LT2-F56	\$ 1,392,500.00	(2)
LT2-V56	\$ 1,392,500.00	(3)
LT2-F57	\$ 1,272,000.00	(2)
LT2-V57	\$ 1,272,000.00	(3)
LT2-F58	\$ 1,211,000.00	(2)
LT2-V58	\$ 1,211,000.00	(3)
LT2-F59	\$ 1,181,000.00	(2)
LT2-V59	\$ 1,181,000.00	(3)
LT2-F60	\$ 1,107,500.00	(2)
LT2-V60	\$ 1,107,500.00	(3)
LT2-F61	\$ 1,053,500.00	(2)
LT2-V61	\$ 1,053,500.00	(3)
LT2-F62	\$ 1,001,500.00	(2)
LT2-V62	\$ 1,001,500.00	(3)
LT2-F63	\$ 952,000.00	(2)

<b>Class Designation</b>	<b>Initial Principal Balance</b>	<b>Interest Rate</b>
LT2-V63	\$ 952,000.00	(3)
LT2-F64	\$ 905,500.00	(2)
LT2-V64	\$ 905,500.00	(3)
LT2-F65	\$ 860,000.00	(2)
LT2-V65	\$ 860,000.00	(3)
LT2-F66	\$ 818,000.00	(2)
LT2-V66	\$ 818,000.00	(3)
LT2-F67	\$ 777,500.00	(2)
LT2-V67	\$ 777,500.00	(3)
LT2-F68	\$ 739,000.00	(2)
LT2-V68	\$ 739,000.00	(3)
LT2-F69	\$ 702,500.00	(2)
LT2-V69	\$ 702,500.00	(3)
LT2-F70	\$ 668,000.00	(2)
LT2-V70	\$ 668,000.00	(3)
LT2-F71	\$ 12,851,500.00	(2)
LT2-V71	\$ 12,851,500.00	(3)
LT2-R	(4)	(4)

- (1) For any Distribution Date (and the related Accrual Period) the interest rate for the Class LT2-A Interest shall be the Net WAC Rate.
- (2) For any Distribution Date (and the related Accrual Period) the interest rate for each of these Lower Tier Interests shall be the lesser of (i) the REMIC Swap Rate for such Distribution Date, and (ii) the product of (a) the Net WAC Rate and (b) 2.
- (3) For any Distribution Date (and the related Accrual Period) the interest rate for each of these Lower Tier Interests shall be the excess, if any, of (i) the product of (a) the Net WAC Rate and (b) 2, over (ii) the REMIC Swap Rate for such Distribution Date.
- (4) The Class LT2-R interest shall not have a principal amount and shall not bear interest. The Class LT2-R interest is hereby designated as the sole class of residual interest in REMIC 2.

On each Distribution Date, the Trustee shall distribute the aggregate Interest Remittance Amount for the two Mortgage Pools (net of the expenses paid by REMIC 1) with respect to each of the Lower Tier Interests in REMIC 2 based on the above-described interest rates.

On each Distribution Date, the Trustee shall distribute the aggregate Principal Remittance Amount with respect to the two Mortgage Pools with respect to the Lower Tier Interests in REMIC 2, first to the Class LT2-A Interest until its principal balance is reduced to zero, and then sequentially, to the other Lower Tier Interests in REMIC 2 in ascending order of their numerical class designation, and, with respect to each pair of classes having the same numerical designation, in equal amounts to each such class, until the principal balance of each such class is reduced to zero. All losses on the Mortgage Loans shall be allocated among the Lower Tier Interests in REMIC 2 in the same manner that principal distributions are allocated.

On each Distribution Date, the Trustee shall distribute the Prepayment Premiums collected during the preceding Prepayment Period to the Class LT2-F71 Lower Tier Interest.

**REMIC 3:**

The following table sets forth the designations, principal balances and interest rates for each interest in REMIC 3, each of which (other than the Class LT3-R interest) is hereby designated as a regular interest in REMIC 3 (the “REMIC 3 Regular Interests”):

<b>REMIC 3 Lower Tier Class Designation</b>	<b>REMIC 3 Lower Tier Interest Rate</b>	<b>Initial Class Principal Amount</b>	<b>Corresponding Class of Certificate(s)</b>
Class LT3-A1	(1)	(3)	A1
Class LT3-A2	(1)	(3)	A2
Class LT3-A3	(1)	(3)	A3
Class LT3-A4	(1)	(3)	A4
Class LT3-A5	(1)	(3)	A5
Class LT3-A6	(1)	(3)	A6
Class LT3-M1	(1)	(3)	M1
Class LT3-M2	(1)	(3)	M2
Class LT3-M3	(1)	(3)	M3
Class LT3-M4	(1)	(3)	M4
Class LT3-M5	(1)	(3)	M5
Class LT3-M6	(1)	(3)	M6
Class LT3-M7	(1)	(3)	M7
Class LT3-M8	(1)	(3)	M8
Class LT3-M9	(1)	(3)	M9
Class LT3-B1	(1)	(3)	B1
Class LT3-B2	(1)	(3)	B2
Class LT3-P	(1)	(3)	P
Class LT3-Q	(1)	(4)	N/A
Class LT3-IO	(2)	(2)	N/A
Class LT3-R	(5)	(5)	R

- (1) For any Distribution Date (and the related Accrual Period) the interest rate for each of these Lower Tier Interests in REMIC 3 is a per annum rate equal to the weighted average of the interest rates on the Lower Tier Interests in REMIC 2 for such Distribution Date, *provided, however*, that for any Distribution Date on which the Class LT3-IO Interest is entitled to a portion of the interest accruals on a Lower Tier Interest in REMIC 2 having an “F” in its class designation, as described in footnote two below, such weighted average shall be computed by first subjecting the rate on such Lower Tier Interest in REMIC 2 to a cap equal to Swap LIBOR for such Distribution Date.
- (2) The Class LT3-IO is an interest only class that does not have a principal balance. For only those Distribution Dates listed in the first column in the table below, the Class LT3-IO shall be entitled to interest accrued on the Lower Tier Interest in REMIC 2 listed in the second column in the table below at a per annum rate equal to the excess, if any, of (i) the interest rate for such Lower Tier Interest in REMIC 2 for such Distribution Date over (ii) Swap LIBOR for such Distribution Date.

<b><u>Distribution Dates</u></b>	<b><u>REMIC 2 Class Designation</u></b>
2	Class LT2-F1
2-3	Class LT2-F2
2-4	Class LT2-F3
2-5	Class LT2-F4
2-6	Class LT2-F5
2-7	Class LT2-F6
2-8	Class LT2-F7
2-9	Class LT2-F8
2-10	Class LT2-F9
2-11	Class LT2-F10
2-12	Class LT2-F11
2-13	Class LT2-F12
2-14	Class LT2-F13
2-15	Class LT2-F14
2-16	Class LT2-F15
2-17	Class LT2-F16
2-18	Class LT2-F17
2-19	Class LT2-F18
2-20	Class LT2-F19
2-21	Class LT2-F20
2-22	Class LT2-F21
2-23	Class LT2-F22
2-24	Class LT2-F23
2-25	Class LT2-F24
2-26	Class LT2-F25
2-27	Class LT2-F26
2-28	Class LT2-F27
2-29	Class LT2-F28
2-30	Class LT2-F29
2-31	Class LT2-F30
2-32	Class LT2-F31
2-33	Class LT2-F32
2-34	Class LT2-F33
2-35	Class LT2-F34
2-36	Class LT2-F35
2-37	Class LT2-F36
2-38	Class LT2-F37
2-39	Class LT2-F38
2-40	Class LT2-F39
2-41	Class LT2-F40
2-42	Class LT2-F41
2-43	Class LT2-F42
2-44	Class LT2-F43
2-45	Class LT2-F44
2-46	Class LT2-F45
2-47	Class LT2-F46
2-48	Class LT2-F47
2-49	Class LT2-F48
2-50	Class LT2-F49
2-51	Class LT2-F50
2-52	Class LT2-F51
2-53	Class LT2-F52
2-54	Class LT2-F53
2-55	Class LT2-F54
2-56	Class LT2-F55



2-57	Class LT2-F56
2-58	Class LT2-F57
2-59	Class LT2-F58
2-60	Class LT2-F59
2-61	Class LT2-F60
2-62	Class LT2-F61
2-63	Class LT2-F62
2-64	Class LT2-F63
2-65	Class LT2-F64
2-66	Class LT2-F65
2-67	Class LT2-F66
2-68	Class LT2-F67
2-69	Class LT2-F68
2-70	Class LT2-F69
2-71	Class LT2-F70
2-72	Class LT2-F71

- (3) This interest shall have an initial class principal amount equal to one-half of the initial Class Principal Amount of its Corresponding Class of Certificates.
- (4) This interest shall have an initial class principal amount equal to the excess of (i) the Aggregate Pool Balance as of the Cut-off Date, over (ii) the aggregate initial class principal amount of each other regular interest in REMIC 3.
- (5) The Class LT3-R interest is the sole class of residual interests in REMIC 3. It does not have an interest rate or a principal balance.

On each Distribution Date, interest shall be distributed on the Lower Tier Interests in REMIC 3 based on the above-described interest rates, *provided, however*, that interest that accrues on the Class LT3-Q Interest shall be deferred in an amount equal to one-half of the increase, if any, in the Overcollateralization Amount for such Distribution Date. Any interest so deferred shall itself bear interest at the interest rate for the Class LT3-Q Interest. An amount equal to the interest so deferred shall be distributed as additional principal on the other Lower Tier Interests in REMIC 3 having a principal balance in the manner described under priority (a) below.

On each Distribution Date principal shall be distributed, and Realized Losses shall be allocated, among the Lower Tier Interests in REMIC 3 in the following order of priority:

(a) First, to the Class LT3-A1, Class LT3-A2, Class LT3-A3, Class LT3-A4, Class LT3-A5, Class LT3-A6, Class LT3-M1, Class LT3-M2, Class LT3-M3, Class LT3-M4, Class LT3-M5, Class LT3-M6, Class LT3-M7, Class LT3-M8, Class LT3-M9, Class LT3-B1, Class LT3-B2, and Class LT3-P Interests until the principal balance of each such Lower Tier Interest equals one-half of the Class Principal Amount of the Corresponding Class of Certificates immediately after such Distribution Date; and

(b) Second, to the Class LT3-Q Interest, any remaining amounts.

On each Distribution Date, the Trustee shall be deemed to have distributed the Prepayment Premiums passed through with respect to the Class LT2-F71 Lower Tier Interest in REMIC 2 on such Distribution Date to the Class LT3-Q Interest.

**The Certificates:**

The following table sets forth (or describes) the Class designation, Certificate Interest Rate, initial Class Principal Amount and minimum denomination for each Class of Certificates comprising interests in the Trust Fund created hereunder.

<b>Class Designation</b>	<b>Certificate Interest Rate</b>	<b>Initial Class Principal Amount</b>	<b>Minimum Denomination</b>
Class A1	(1)	\$237,022,000	\$ 25,000
Class A2	(2)	\$271,493,000	\$ 25,000
Class A3	(3)	\$ 46,472,000	\$ 25,000
Class A4	(4)	\$ 91,913,000	\$ 25,000
Class A5	(5)	\$ 24,442,000	\$ 25,000
Class A6	(6)	\$237,022,000	\$ 25,000
Class M1	(7)	\$101,737,000	\$100,000
Class M2	(8)	\$ 48,446,000	\$100,000
Class M3	(9)	\$ 19,378,000	\$100,000
Class M4	(10)	\$ 21,195,000	\$100,000
Class M5	(11)	\$ 14,534,000	\$100,000
Class M6	(12)	\$ 13,928,000	\$100,000
Class M7	(13)	\$ 13,323,000	\$100,000
Class M8	(14)	\$ 9,690,000	\$100,000
Class M9	(15)	\$ 11,506,000	\$100,000
Class B1	(16)	\$ 14,534,000	\$100,000
Class B2	(17)	\$ 13,927,000	\$100,000
Class X	(18)	(18)	10%
Class R	(19)	(19)	100%
Class P	(20)	\$100 (21)	10%
Class LT-R	(22)	(22)	100%

- (1) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class A1 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.135% and (ii) with respect to any Distribution Date on which the Class Principal Amounts of the Group 2 Senior Certificates are outstanding, the Pool 1 Net Funds Cap for such Distribution Date or, after the Distribution Date on which the Class Principal Amounts of the Group 2 Senior Certificates have been reduced to zero, the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class A1 Certificates will be LIBOR plus 0.270%. For purposes of the REMIC Provisions, each reference to a Net Funds Cap in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class A1 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class A1 Certificates is based on a Net Funds Cap, the amount of interest that would have accrued on the Class A1 Certificates if the REMIC 3 Net Funds Cap were substituted for the Net Funds Cap shall be treated as having been paid by the Class A1 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.



- (2) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class A2 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.050% and (ii) with respect to any Distribution Date on which the Class Principal Amounts of the Group 1 Senior Certificates are outstanding, the Pool 2 Net Funds Cap for such Distribution Date or, after the Distribution Date on which the Class Principal Amounts of the Group 1 Senior Certificates have been reduced to zero, the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class A2 Certificates will be LIBOR plus 0.100%. For purposes of the REMIC Provisions, each reference to a Net Funds Cap in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class A2 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class A2 Certificates is based on a Net Funds Cap, the amount of interest that would have accrued on the Class A2 Certificates if the REMIC 3 Net Funds Cap were substituted for the Net Funds Cap shall be treated as having been paid by the Class A2 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (3) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class A3 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.100% and (ii) with respect to any Distribution Date on which the Class Principal Amounts of the Group 1 Senior Certificates are outstanding, the Pool 2 Net Funds Cap for such Distribution Date or, after the Distribution Date on which the Class Principal Amounts of the Group 1 Senior Certificates have been reduced to zero, the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class A3 Certificates will be LIBOR plus 0.200%. For purposes of the REMIC Provisions, each reference to a Net Funds Cap in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class A3 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class A3 Certificates is based on a Net Funds Cap, the amount of interest that would have accrued on the Class A3 Certificates if the REMIC 3 Net Funds Cap were substituted for the Net Funds Cap shall be treated as having been paid by the Class A3 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (4) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class A4 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.130% and (ii) with respect to any Distribution Date on which the Class Principal Amounts of the Group 1 Senior Certificates are outstanding, the Pool 2 Net Funds Cap for such Distribution Date or, after the Distribution Date on which the Class Principal Amounts of the Group 1 Senior Certificates have been reduced to zero, the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class A4 Certificates will be LIBOR plus 0.260%. For purposes of the REMIC Provisions, each reference to a Net Funds Cap in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class A4 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class A4 Certificates is based on a Net Funds Cap, the amount of interest that would have accrued on the Class A4 Certificates if the REMIC 3 Net Funds Cap were substituted for the Net Funds Cap shall be treated as having been paid by the Class A4 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.

- (5) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class A5 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.230% and (ii) with respect to any Distribution Date on which the Class Principal Amounts of the Group 1 Senior Certificates are outstanding, the Pool 2 Net Funds Cap for such Distribution Date or, after the Distribution Date on which the Class Principal Amounts of the Group 1 Senior Certificates have been reduced to zero, the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class A5 Certificates will be LIBOR plus 0.460%. For purposes of the REMIC Provisions, each reference to a Net Funds Cap in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class A5 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class A5 Certificates is based on a Net Funds Cap, the amount of interest that would have accrued on the Class A5 Certificates if the REMIC 3 Net Funds Cap were substituted for the Net Funds Cap shall be treated as having been paid by the Class A5 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (6) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class A6 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.135% and (ii) with respect to any Distribution Date on which the Class Principal Amounts of the Group 2 Senior Certificates are outstanding, the Pool 1 Net Funds Cap for such Distribution Date or, after the Distribution Date on which the Class Principal Amounts of the Group 2 Senior Certificates have been reduced to zero, the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class A6 Certificates will be LIBOR plus 0.270%. For purposes of the REMIC Provisions, each reference to a Net Funds Cap in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class A6 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class A6 Certificates is based on a Net Funds Cap, the amount of interest that would have accrued on the Class A6 Certificates if the REMIC 3 Net Funds Cap were substituted for the Net Funds Cap shall be treated as having been paid by the Class A6 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (7) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class M1 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.230% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class M1 Certificates will be LIBOR plus 0.345%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class M1 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class M1 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class M1 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class M1 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.

- (8) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class M2 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.270% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class M2 Certificates will be LIBOR plus 0.405%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class M2 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class M2 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class M2 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class M2 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (9) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class M3 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.300% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class M3 Certificates will be LIBOR plus 0.450%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class M3 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class M3 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class M3 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class M3 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (10) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class M4 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.370% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class M4 Certificates will be LIBOR plus 0.555%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class M4 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class M4 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class M4 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class M4 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (11) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class M5 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.380% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class M5 Certificates will be LIBOR plus 0.570%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class M5 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class M5 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class M5 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class M5 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.

- (12) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class M6 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.450% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class M6 Certificates will be LIBOR plus 0.675%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class M6 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class M6 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class M6 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class M6 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (13) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class M7 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 0.950% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class M7 Certificates will be LIBOR plus 1.425%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class M7 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class M7 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class M7 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class M7 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (14) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class M8 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 1.450% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class M8 Certificates will be LIBOR plus 2.175%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class M8 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class M8 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class M8 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class M8 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (15) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class M9 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 2.500% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class M9 Certificates will be LIBOR plus 3.750%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class M9 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class M9 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class M9 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class M9 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.

- (16) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class B1 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 2.500% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class B1 Certificates will be LIBOR plus 3.750%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class B1 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class B1 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class B1 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class B1 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (17) The Certificate Interest Rate with respect to any Distribution Date (and the related Accrual Period) for the Class B2 Certificates is the per annum rate equal to the lesser of (i) LIBOR plus 2.500% and (ii) the Subordinate Net Funds Cap for such Distribution Date; *provided*, that if the Mortgage Loans and related property are not purchased pursuant to Section 7.01(b) on the Initial Optional Termination Date, then with respect to each subsequent Distribution Date the per annum rate calculated pursuant to clause (i) above with respect to the Class B2 Certificates will be LIBOR plus 3.750%. For purposes of the REMIC Provisions, the reference to “Subordinate Net Funds Cap” in clause (ii) of the preceding sentence shall be deemed to be a reference to the REMIC 3 Net Funds Cap; therefore, on any Distribution Date on which the Certificate Interest Rate for the Class B2 Certificates exceeds the REMIC 3 Net Funds Cap, interest accruals based on such excess shall be treated as having been paid from the Basis Risk Reserve Fund or the Supplemental Interest Trust, as applicable; on any Distribution Date on which the Certificate Interest Rate on the Class B2 Certificates is based on the Subordinate Net Funds Cap, the amount of interest that would have accrued on the Class B2 Certificates if the REMIC 3 Net Funds Cap were substituted for the Subordinate Net Funds Cap shall be treated as having been paid by the Class B2 Certificateholders to the Supplemental Interest Trust, all pursuant to and as further provided in Section 10.01(n) hereof.
- (18) For purposes of the REMIC Provisions, Class X shall have an initial principal balance of \$20,589,883.62, and the right to receive distributions of such amount represents a regular interest in the Upper Tier REMIC. The Class X Certificate shall also comprise two notional components, each of which represents a regular interest in the Upper Tier REMIC. The first such component has a notional balance that will at all times equal the aggregate of the Class Principal Amounts of the Lower Tier Interests in REMIC 3, and, for each Distribution Date (and the related Accrual Period) this notional component shall bear interest at a per annum rate equal to the excess, if any, of (i) (a) the weighted average of the interest rates on the Lower Tier Interests in REMIC 3 (other than any interest-only regular interest) minus (b) the Credit Risk Manager’s Fee Rate, over (ii) the Adjusted Lower Tier WAC. The second notional component represents the right to receive all distributions in respect of the Class LT3-IO Interest in REMIC 3 (the “Class LT4-I” interest). In addition, for purposes of the REMIC Provisions, the Class X Certificate shall represent beneficial ownership of (i) the Basis Risk Reserve Fund; (ii) the Supplemental Interest Trust, including the Swap Agreement, the Swap Account, the Interest Rate Cap Agreement and the Interest Rate Cap Account, (iii) any PPTL Premium, (iv) any FPD Premium and (v) an interest in the notional principal contracts described in Section 10.01(n) hereof.

- (19) The Class R Certificate will be issued without a Class Principal Amount and will not bear interest at a stated rate. The Class R Certificate represents ownership of the residual interest in the Upper Tier REMIC, as well as ownership of the Class LT2-R Interest and Class LT3-R Interest. The Class R Certificate will be issued as a single Certificate evidencing the entire Percentage Interest in such Class.
- (20) The Class P Certificates shall not bear interest at a stated rate. Prepayment Premiums paid with respect to the Mortgage Loans shall be paid to the Holders of the Class P Certificates as provided in Section 5.02(i). For purposes of the REMIC Provisions, Class P shall represent a regular interest in the Upper Tier REMIC.
- (21) The Class P Certificates will have an initial Class P Principal Amount of \$100.
- (22) The Class LT-R Certificate will be issued without a Class Principal Amount and will not bear interest at a stated rate. The Class LT-R Certificate represents ownership of the residual interest in REMIC 1. The Class LT-R Certificate will be issued as a single Certificate evidencing the entire Percentage Interest in such Class.

As of the Cut-off Date, the Mortgage Loans had an aggregate Scheduled Principal Balance of \$1,211,151,983.62.

In consideration of the mutual agreements herein contained, the Depositor, the Seller, the Credit Risk Manager, the Master Servicer and the Trustee hereby agree as follows:

## ARTICLE I

### DEFINITIONS

#### Section 1.01. Definitions.

The following words and phrases, unless the context otherwise requires, shall have the following meanings:

10-K Filing Deadline : As defined in Section 6.20(e)(i).

Accepted Servicing Practices : With respect to any Mortgage Loan, as applicable, either (x) those customary mortgage servicing practices of prudent mortgage servicing institutions that service or master service mortgage loans of the same type and quality as such Mortgage Loan in the jurisdiction where the related Mortgaged Property is located, to the extent applicable to the Trustee (as successor to the Master Servicer) or the Master Servicer, or (y) as provided in the applicable Servicing Agreement, to the extent applicable to the related Servicer.

Accountant : A person engaged in the practice of accounting who (except when this Agreement provides that an Accountant must be Independent) may be employed by or affiliated with the Depositor or an Affiliate of the Depositor.

Accrual Period : With respect to each Class of LIBOR Certificates and any Distribution Date, the period beginning on the Distribution Date in the calendar month immediately preceding the month in which the related Distribution Date occurs (or, in the case of the first Distribution Date, beginning on January 25, 2007) and ending on the day immediately preceding the related Distribution Date, as calculated in accordance with Section 1.03. With respect to each Class of Lower Tier Interests and any Distribution Date, the calendar month preceding such Distribution Date.

Act : As defined in Section 3.03(c).

Additional Collateral : None.

Additional Form 10-D Disclosure : As defined in Section 6.20(d)(i).

Additional Form 10-K Disclosure : As defined in Section 6.20(e)(i).

Additional Servicer : Each affiliate of a Servicer that Services any of the Mortgage Loans and each Person who is not an affiliate of any Servicer, who Services 10% or more of the Mortgage Loans.

Additional Termination Event : As defined in the Swap Agreement.

Adjustable Rate Mortgage Loan : Any Mortgage Loan as to which the related Mortgage Note provides for the adjustment of the Mortgage Rate applicable thereto.

Adjusted Lower Tier WAC : For any Distribution Date (and the related Accrual Period), an amount equal to (i) two, multiplied by (ii) the weighted average of the interest rates for such Distribution Date for the Class LT3-A1, Class LT3-A2, Class LT3-A3, Class LT3-A4, Class LT3-A5, Class LT3-A6, Class LT3-M1, Class LT3-M2, Class LT3-M3, Class LT3-M4, Class LT3-M5, Class LT3-M6, Class LT3-M7, Class LT3-M8, Class LT3-M9, Class LT3-B1, Class LT3-B2, Class LT3-P and Class LT3-Q Interests, weighted in proportion to their Class Principal Amounts as of the beginning of the related Accrual Period and computed by subjecting the rate on the Class LT3-Q Interest to a cap of 0.00%, and by subjecting the rate on each of the Class LT3-A1, Class LT3-A2, Class LT3-A3, Class LT3-A4, Class LT3-A5, Class LT3-A6, Class LT3-M1, Class LT3-M2, Class LT3-M3, Class LT3-M4, Class LT3-M5, Class LT3-M6, Class LT3-M7, Class LT3-M8, Class LT3-M9, Class LT3-B1, Class LT3-B2 and Class LT3-P Interests to a cap that corresponds to the Certificate Interest Rate (determined by substituting the REMIC 3 Net Funds Cap for the applicable Net Funds Cap) for the Corresponding Class of Certificates multiplied by the quotient of (a) the actual number of days in the Accrual Period, divided by (b) 30.

Advance : With respect to a Mortgage Loan other than a Simple Interest Mortgage Loan, an advance of the aggregate of payments (other than Balloon Payments) of principal and interest (net of the applicable Servicing Fee) on one or more Mortgage Loans that were due on a Due Date in the related Collection Period and not received as of the close of business on the related Determination Date, required to be made by or on behalf of the Master Servicer and any Servicer (or by the Trustee as successor to the Master Servicer) pursuant to Section 5.04, but only to the extent that such amount is expected, in the reasonable judgment of the Master Servicer or Servicer (or by the Trustee as successor to the Master Servicer), to be recoverable from collections or recoveries in respect of such Mortgage Loans. With respect to a Simple Interest Mortgage Loan, an advance of an amount equal to the interest accrual on such Simple Interest Mortgage Loan through the related Due Date but not received as of the close of business on the related Determination Date (net of applicable Servicing Fee) required to be made by or on behalf of the Master Servicer or any Servicer (or by the Trustee as successor to the Master Servicer) pursuant to Section 5.04, but only to the extent that such amount is expected, in the reasonable judgment of the Master Servicer or Servicer (or by the Trustee as successor to the Master Servicer), to be recoverable from collections or recoveries in respect of such Simple Interest Mortgage Loans.

Adverse REMIC Event : Either (i) the loss of status as a REMIC, within the meaning of Section 860D of the Code, for any group of assets identified as a REMIC in the Preliminary Statement to this Agreement, or (ii) the imposition of any tax, including the tax imposed under Section 860F(a)(1) on prohibited transactions and the tax imposed under Section 860G(d) on certain contributions to a REMIC, on any REMIC created hereunder to the extent such tax would be payable from assets held as part of the Trust Fund.

Affected Party : As defined in the Swap Agreement.

Affiliate : With respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

Aggregate Expense Rate : With respect to any Mortgage Loan, the sum of the related Servicing Fee Rate and the applicable Insurance Fee Rate, in the case of any Mortgage Loan covered by a Bulk PMI Policy or a LPMI Policy.

Aggregate Overcollateralization Release Amount : With respect to any Distribution Date, the lesser of (x) the aggregate of the Principal Remittance Amounts for each Mortgage Pool for such Distribution Date and (y) the amount, if any, by which (i) the Overcollateralization Amount for such date, calculated for this purpose on the basis of the assumption that 100% of the aggregate of the Principal Remittance Amounts for such Distribution Date is applied on such date in reduction of the aggregate Certificate Principal Amount of the Certificates, exceeds (ii) the Targeted Overcollateralization Amount for such Distribution Date.

Aggregate Pool Balance : As of any date of determination, the aggregate of the Pool Balances of Pool 1 and Pool 2 on such date.

Aggregate Voting Interests : The aggregate of the Voting Interests of all the Certificates under this Agreement.

Agreement : This Trust Agreement and all amendments and supplements hereto.

Anniversary Year : The one-year period beginning on the Closing Date and ending on the first anniversary thereof, and each subsequent one-year period beginning on the day after the end of the preceding Anniversary Year and ending on the next succeeding anniversary of the Closing Date.



Applied Loss Amount : With respect to any Distribution Date, the amount, if any, by which (x) the aggregate Certificate Principal Amount of the LIBOR Certificates after giving effect to distributions of principal on such Distribution Date, but before giving effect to any application of the Applied Loss Amount with respect to such date, exceeds (y) the Aggregate Pool Balance for such Distribution Date.

Appraised Value : With respect to any Mortgage Loan, the amount set forth in an appraisal made in connection with the origination of such Mortgage Loan as the value of the related Mortgaged Property.

Assignment of Mortgage : An assignment of the Mortgage, notice of transfer or equivalent instrument, in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to reflect the sale of the Mortgage to the Trustee, which assignment, notice of transfer or equivalent instrument may be in the form of one or more blanket assignments covering the Mortgage Loans secured by Mortgaged Properties located in the same jurisdiction, if permitted by law; *provided, however*, that neither a Custodian nor the Trustee shall be responsible for determining whether any such assignment is in recordable form.

Aurora : Aurora Loan Services LLC.

Authenticating Agent : Any authenticating agent appointed by the Trustee pursuant to Section 6.10.

Authorized Officer : Any Person who may execute an Officer's Certificate on behalf of the Depositor.

B1 Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the amount, if any, by which (x) the sum of (i) the aggregate of the Class Principal Amounts of the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8 and Class M9 Certificates, in each case after giving effect to distributions on such Distribution Date and (ii) the Class Principal Amount of the Class B1 Certificates immediately prior to such Distribution Date exceeds (y) the B1 Target Amount.

B1 Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 94.30% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

B2 Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the amount, if any, by which (x) the sum of (i) the aggregate of the Class Principal Amounts of the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8, Class M9 and Class B1 Certificates, in each case after giving effect to distributions on such Distribution Date and (ii) the Class Principal Amount of the Class B2 Certificates immediately prior to such Distribution Date exceeds (y) the B2 Target Amount.

B2 Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 96.60% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

Back-Up Certification : As defined in Section 6.20(e)(iv).

Balloon Mortgage Loan : Any Mortgage Loan having an original term to maturity that is shorter than its amortization schedule, and a final Scheduled Payment that is disproportionately large in comparison to other Scheduled Payments.

Balloon Payment : The final Scheduled Payment in respect of a Balloon Mortgage Loan.

Bank : Lehman Brothers Bank, FSB and its successors and assigns.

Bankruptcy : As to any Person, the making of an assignment for the benefit of creditors, the filing of a voluntary petition in bankruptcy, adjudication as a bankrupt or insolvent, the entry of an order for relief in a bankruptcy or insolvency proceeding, the seeking of reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief, or seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator, dissolution, or termination, as the case may be, of such Person pursuant to the provisions of either the Bankruptcy Code or any other similar state laws.

Bankruptcy Code : The United States Bankruptcy Code of 1986, as amended.

Basis Risk Payment : With respect to any Distribution Date, the sum of (i) any Basis Risk Shortfall for such Distribution Date, (ii) any Unpaid Basis Risk Shortfall from previous Distribution Dates and (iii) any Required Reserve Fund Deposit for such Distribution Date. The amount of the Basis Risk Payment for any Distribution Date cannot exceed the amount of Monthly Excess Cashflow otherwise available for distribution pursuant to Section 5.02(f)(iv) of this Agreement.

Basis Risk Reserve Fund : A fund created as part of the Trust Fund pursuant to Section 5.06 of this Agreement but which is not an asset of any of the REMICs.

Basis Risk Shortfall : With respect to any Distribution Date and any Class of LIBOR Certificates, the amount by which the amount of interest calculated at the Certificate Interest Rate applicable to such Class for such date, determined without regard to the Pool 1 Net Funds Cap, Pool 2 Net Funds Cap or Subordinate Net Funds Cap, as applicable, for such date but subject to a cap equal to the applicable Maximum Interest Rate, exceeds the amount of interest calculated at the Pool 1 Net Funds Cap, Pool 2 Net Funds Cap or Subordinate Net Funds Cap, as applicable.

Benefit Plan Opinion : An Opinion of Counsel satisfactory to the Depositor and the Trustee to the effect that any proposed transfer of Certificates will not (i) cause the assets of the Trust Fund to be regarded as plan assets for purposes of the Plan Asset Regulations or (ii) give rise to any fiduciary duty on the part of the Depositor or the Trustee, respectively.

Bid Due Date : As defined in Section 7.01(d).

Bid Holder : As defined in Section 7.01(d).

Bid Month : As defined in Section 7.01(d).

Bid Price : As defined in Section 7.01(d).

Book-Entry Certificates : Beneficial interests in Certificates designated as “Book-Entry Certificates” in this Agreement, ownership and transfers of which shall be evidenced or made through book entries by a Clearing Agency as described in Section 3.09; *provided*, that after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Certificates are to be issued to Certificate Owners, such Book-Entry Certificates shall no longer be “Book-Entry Certificates.” As of the Closing Date, each Class of LIBOR Certificates constitutes Book-Entry Certificates.

Bulk PMI Policy : Any of the (A)(i) the MGIC Mortgage Guaranty Select Master Policy for Multiple Loan Transactions No. 22-400-4-3753 and the MGIC Letter Agreement and (ii) Commitment Certificates covering \$113,651,015.44 aggregate principal balance of insurable Mortgage Loans and (B) PMI Mortgage Master Policy No. 21046-0037-0, Bulk No. 2007-0040, subject to the terms and conditions of PMI Mortgage’s Bulk Primary First Lien Master Policy UW 2510.00 (09/00) and the PMI Letter Agreement, covering \$70,369,183.73 aggregate principal balance of insurable Mortgage Loans.

Business Day : Any day other than (i) a Saturday or a Sunday, (ii) a day on which banking institutions in New York, New York or, if other than New York or the city in which the principal office of the Corporate Trust Office of the Trustee is located, or the States of Maryland, Minnesota or Colorado are closed, or (iii) with respect to any Servicer Remittance Date or any Servicer reporting date, the States specified in the definition of “Business Day” in the related Servicing Agreement, are authorized or obligated by law or executive order to be closed.

Cap Counterparty : The counterparty to the Supplemental Interest Trust under the Interest Rate Cap Agreement, and any successor in interest or assigns. Initially, the Cap Counterparty shall be Wachovia Bank, National Association.

Cap Replacement Receipts : As defined in Section 5.09(b).

Cap Replacement Receipts Account : As defined in Section 5.09(b).

Cap Termination Payment : Upon the designation of an “Early Termination Date” as defined in the Interest Rate Cap Agreement, the payment required to be made by the Cap Counterparty to the Supplemental Interest Trust pursuant to the terms of the Interest Rate Cap Agreement, and any unpaid amounts due on previous Interest Rate Cap Payment Dates and accrued interest thereon as provided in the Interest Rate Cap Agreement, as calculated by the Cap Counterparty and furnished to the Trustee.

Cap Termination Receipts : As defined in Section 5.09(b).

Cap Termination Receipts Account : As defined in Section 5.09(b).

Call Option Holder : At any date of determination, each holder of any NIM Residual Securities (if any such NIM Residual Securities have been issued and are outstanding), or if no NIM Securities are outstanding, each Holder of a Class X Certificate.

Call Option Notice : As defined in Section 7.01(d).

Carryforward Interest : With respect to any Class of LIBOR Certificates and any Distribution Date, the sum of (i) the amount, if any, by which (x) the sum of (A) Current Interest for such Class for the immediately preceding Distribution Date and (B) any unpaid Carryforward Interest for such Class from previous Distribution Dates exceeds (y) the amount distributed in respect of interest on such Class on such immediately preceding Distribution Date, and (ii) interest on such amount for the related Accrual Period at the applicable Certificate Interest Rate.

Certificate : Any one of the certificates signed and countersigned by the Trustee in substantially the forms attached hereto as Exhibit A.

Certificate Account : The account maintained by the Trustee in accordance with the provisions of Section 4.04.

Certificate Interest Rate : With respect to each Class of Certificates and any Distribution Date, the applicable per annum rate set forth or described under the heading "The Certificates" in the Preliminary Statement hereto.

Certificate Owner : With respect to a Book-Entry Certificate, the Person who is the owner of such Book-Entry Certificate, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly or as an indirect participant, in accordance with the rules of such Clearing Agency).

Certificate Principal Amount : With respect to any LIBOR Certificate, the initial Certificate Principal Amount thereof on the Closing Date, less the amount of all principal distributions previously distributed with respect to such Certificate and, in the case of the Subordinate Certificates, any Applied Loss Amount previously allocated to such Certificate; *provided, however* , that on each Distribution Date on which a Subsequent Recovery is distributed, the Certificate Principal Amount of any Class of Subordinate Certificates whose Certificate Principal Amount has previously been reduced by application of Applied Loss Amounts will be increased, sequentially, in order of seniority, by an amount (to be applied *pro rata* to all Certificates of such Class) equal to the lesser of (1) any Deferred Amount for each such Class immediately prior to such Distribution Date and (2) the total amount of any Subsequent Recovery distributed on such Distribution Date to Certificateholders, after application for this purpose to any more senior Classes of Certificates. The Class X, Class R and Class LT-R Certificates are issued without Certificate Principal Amounts. The Class P Certificates are issued with an initial Class P Principal Amount of \$100.

Certificate Register and Certificate Registrar : The register maintained and the registrar appointed pursuant to Section 3.02.

Certificateholder : The meaning provided in the definition of “Holder.”

Certification Parties : As defined in Section 6.20(e)(iv).

Certifying Person : As defined in Section 6.20(e)(iv).

Civil Relief Act : The Servicemembers Civil Relief Act, as amended, or any similar state or local statute.

Class : All Certificates, in the case of REMIC 4, all interests bearing the same class designation, and, in the case of REMIC 1, REMIC 2 and REMIC 3, all Lower Tier Interests, bearing the same class designation.

Class B Certificates : Collectively, the Class B1 and Class B2 Certificates.

Class I Shortfalls : As defined in Section 10.01(n) hereof. For purposes of clarity, the Class I Shortfall for any Distribution Date shall equal the amount payable to the Swap Counterparty on such Distribution Date in excess of the amount payable on the Class LT4-I interest in the Upper Tier REMIC on such Distribution Date, all as further provided in Section 10.01(n) hereof.

Class LT-R Certificate : Each Class LT-R Certificate executed by the Trustee and authenticated and delivered by the Certificate Registrar, substantially in the form annexed hereto as Exhibit A and evidencing the ownership of the residual interest in REMIC 1.

Class M Certificates : Collectively, the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8 and Class M9 Certificates.

Class M1 Enhancement Percentage : With respect to any Distribution Date, the fraction, expressed as a percentage, the numerator of which is the sum of the aggregate Class Principal Amount of the Subordinate Certificates (other than the Class M1 Certificates) and the Overcollateralization Amount for such Distribution Date (which, for purposes of this definition only, shall not be less than zero and assuming for purposes of this definition that the Principal Distribution Amount has been distributed on such Distribution Date and no Trigger Event has occurred), and the denominator of which is the Aggregate Pool Balance for such Distribution Date, in each case after giving effect to distributions on such Distribution Date.

Class Notional Amount : Not applicable.

Class P Principal Amount : As of the Closing Date, \$100.

Class Principal Amount : With respect to any Class of LIBOR Certificates and any date of determination, the aggregate of the Certificate Principal Amounts of all Certificates of such Class on such date. With respect to the Class X, Class P, Class LT-R and Class R Certificates, zero. With respect to any Lower Tier Interest, the initial Class Principal Amount as shown or described in the table set forth in the Preliminary Statement to this Agreement for the issuing REMIC, as reduced by principal distributed with respect to such Lower Tier Interest and Realized Losses allocated to such Lower Tier Interest.

Class R Certificate : Each Class R Certificate executed by the Trustee, and authenticated and delivered by the Certificate Registrar, substantially in the form annexed hereto as Exhibit A and evidencing the ownership of the Class LT2-R Interest, Class LT3-R Interest and the residual interest in the Upper Tier REMIC.

Class X Distributable Amount : With respect to any Distribution Date, the amount of interest that has accrued on the Class X Notional Balance, as described in the Preliminary Statement, but that has not been distributed prior to such date. In addition, such amount shall include the initial Overcollateralization Amount of \$20,589,883.62 (\$20,589,983.62 less \$100 of such amount allocated to the Class P Certificates) to the extent such amount has not been distributed on an earlier Distribution Date as part of the Aggregate Overcollateralization Release Amount.

Class X Notional Balance : With respect to any Distribution Date (and the related Accrual Period) the aggregate principal balance of the regular interests in REMIC 3 (other than Class LT3-IO) as specified in the Preliminary Statement hereto.

Clearing Agency : An organization registered as a “clearing agency” pursuant to Section 17A of the Exchange Act. As of the Closing Date, the Clearing Agency shall be The Depository Trust Company.

Clearing Agency Participant : A broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

Clearstream : Clearstream Banking Luxembourg, and any successor thereto.

Closing Date : January 30, 2007.

Code : The Internal Revenue Code of 1986, as amended, and as it may be further amended from time to time, any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

Collateral Account : The account maintained by the Trustee in accordance with the provisions of Section 5.07(c).

Collection Account : A separate account established and maintained by the Master Servicer pursuant to Section 4.01.

Collection Period : With respect to any Distribution Date, the period commencing on the second day of the month immediately preceding the month in which such Distribution Date occurs and ending on the first day of the month in which such Distribution Date occurs.

Commission : The United States Securities and Exchange Commission.

Compensating Interest Payment : With respect to any Distribution Date, an amount equal to the aggregate amount of any Prepayment Interest Shortfalls required to be paid by the Servicers with respect to such Distribution Date. The Master Servicer (solely in its capacity as master servicer) shall not be responsible for making any Compensating Interest Payment.

Controlling Person : With respect to any Person, any other Person who “controls” such Person within the meaning of the Securities Act.

Conventional Loan : A Mortgage Loan that is not insured by the United States Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs.

Cooperative Corporation : The entity that holds title (fee or an acceptable leasehold estate) to the real property and improvements constituting the Cooperative Property and which governs the Cooperative Property, which Cooperative Corporation must qualify as a Cooperative Housing Corporation under Section 216 of the Code.

Cooperative Loan : Any Mortgage Loan secured by Cooperative Shares and a Proprietary Lease.

Cooperative Loan Documents : As to any Cooperative Loan, (i) the Cooperative Shares, together with a stock power in blank; (ii) the original executed Security Agreement and the assignment of the Security Agreement endorsed in blank; (iii) the original executed Proprietary Lease and the assignment of the Proprietary Lease endorsed in blank; (iv) the original executed Recognition Agreement and the assignment of the Recognition Agreement (or a blanket assignment of all Recognition Agreements) endorsed in blank; (v) the executed UCC-1 financing statement with evidence of recording thereon, which has been filed in all places required to perfect the security interest in the Cooperative Shares and the Proprietary Lease; and (vi) executed UCC-3 financing statements (or copies thereof) or other appropriate UCC financing statements required by state law, evidencing a complete and unbroken line from the mortgagee to the Trustee with evidence of recording thereon (or in a form suitable for recordation).

Cooperative Property : The real property and improvements owned by the Cooperative Corporation, that includes the allocation of individual dwelling units to the holders of the Cooperative Shares of the Cooperative Corporation.

Cooperative Shares : Shares issued by a Cooperative Corporation.

Cooperative Unit : A single-family dwelling located in a Cooperative Property.

Corporate Trust Office : For purposes of certificate transfers and exchanges, the Trustee’s corporate trust office is located at Sixth Street and Marquette Avenue, Minneapolis, Minnesota 55479, Attention: Client Service Manager - SASCO 2007-BC1, and, for all other purposes, 9062 Old Annapolis Road, Columbia, Maryland 21045, Attention: Client Service Manager - SASCO 2007-BC1, or such other address that the Trustee may designate from time to time by notice to the Certificateholders, the Depositor and the Master Servicer.

Corresponding Class : The Class of Certificates that corresponds to a Class of interests in REMIC 3 or REMIC 4, as provided in the Preliminary Statement.

Credit Risk Management Agreement : Each credit risk management agreement dated as of the Closing Date, entered into by a Servicer and the Credit Risk Manager, identified on Exhibit L attached hereto.

Credit Risk Manager : Clayton Fixed Income Services Inc., a Colorado corporation, and its successors and assigns.

Credit Risk Manager's Fee : With respect to any Distribution Date and each Mortgage Loan, an amount equal to the product of (a) one twelfth, (b) the Credit Risk Manager's Fee Rate and (c) the Scheduled Principal Balance of such Mortgage Loan as of the first day of the related Collection Period.

Credit Risk Manager's Fee Rate : 0.011% per annum.

Credit Support Annex : The credit support annex to the Swap Agreement and the Interest Rate Cap Agreement dated as of January 30, 2007, between the Trustee, on behalf of the Supplemental Interest Trust, the Swap Counterparty and the Cap Counterparty.

Cumulative Loss Trigger Event : A Cumulative Loss Trigger Event shall have occurred with respect to any Distribution Date if the fraction, expressed as a percentage, obtained by dividing (x) the aggregate amount of cumulative Realized Losses incurred on the Mortgage Loans from the Cut-off Date through the last day of the related Collection Period by (y) the Cut-off Date Balance exceeds the applicable percentages described below with respect to such Distribution Date:

<u>Distribution Date</u>	<u>Loss Percentage</u>
February 2009 to January 2010	1.15% for the first month, <i>plus</i> an additional 1/12 <sup>th</sup> of 1.40% for each month thereafter
February 2010 to January 2011	2.55% for the first month, <i>plus</i> an additional 1/12 <sup>th</sup> of 1.50% for each month thereafter
February 2011 to January 2012	4.05% for the first month, <i>plus</i> an additional 1/12 <sup>th</sup> of 1.15% for each month thereafter
February 2012 to January 2013	5.20% for the first month, <i>plus</i> an additional 1/12 <sup>th</sup> of 0.70% for each month thereafter
February 2013 and thereafter	5.90%

Current Interest : With respect to any Class of LIBOR Certificates and any Distribution Date, the aggregate amount of interest accrued at the applicable Certificate Interest Rate during the related Accrual Period on the Class Principal Amount of such Class immediately prior to such Distribution Date.

Custodial Account : Any custodial account (other than an Escrow Account) established and maintained by a Servicer pursuant to the related Servicing Agreement.



Custodial Agreement : Each custodial agreement identified on Exhibit K hereto and any custodial agreement subsequently executed by the Trustee and acknowledged by the Master Servicer substantially in the form thereof.

Custodial Compensation : With respect to Deutsche Bank National Trust Company and Wells Fargo Bank, N.A., in their respective capacities as a Custodian, the fees and expenses described in Section 6 of the applicable Custodial Agreement.

Custodian : Each custodian appointed by the Trustee pursuant to a Custodial Agreement, and any successor thereto. The initial Custodians are Deutsche Bank National Trust Company, LaSalle Bank National Association and Wells Fargo Bank, N.A.

Cut-off Date : January 1, 2007.

Cut-off Date Balance : The Aggregate Pool Balance as of the Cut-off Date.

DBRS : DBRS, Inc.

Debt Service Reduction : With respect to any Mortgage Loan, a reduction of the Scheduled Payment that the related Mortgagor is obligated to pay on any Due Date as a result of, or in connection with, any proceeding under Bankruptcy law or any similar proceeding.

Defaulting Party : As defined in the Swap Agreement.

Deferred Amount : With respect to any Distribution Date and each Class of the Subordinate Certificates, the amount by which (x) the aggregate of Applied Loss Amounts previously applied in reduction of the Class Principal Amount thereof exceeds (y) the sum of (1) the aggregate of amounts previously reimbursed in respect thereof and (2) the amount by which the Class Principal Amount of such Class has been increased due to any Subsequent Recovery.

Definitive Certificate : A Certificate of any Class issued in definitive, fully registered, certificated form.

Deleted Mortgage Loan : A Mortgage Loan that is repurchased from the Trust Fund pursuant to the terms hereof or as to which one or more Qualifying Substitute Mortgage Loans are substituted therefor.

Delinquency Default Mortgage Loan : Any Mortgage Loan originated by BNC Mortgage, Inc. which was 29 days or more Delinquent as of the Cut-off Date in which the related Borrower has not made a payment in full of such delinquent amount on or before January 31, 2007.

Delinquency Event : Any Distribution Date on which the Rolling Three Month Delinquency Rate as of the last day of the immediately preceding calendar month equals or exceeds (1) 32.00% of the Senior Enhancement Percentage for such Distribution Date or (2) with respect to any Distribution Date on or after which the aggregate Class Principal Amount of the Senior Certificates has been reduced to zero, 48.15% of the Class M1 Enhancement Percentage.

Delinquency Rate : With respect to any calendar month, the fraction, expressed as a percentage, the numerator of which is the aggregate outstanding principal balance of (i) all Mortgage Loans 60 days Delinquent or more (including all Mortgage Loans 60 days Delinquent or more for which the Mortgagor has filed for bankruptcy after the Closing Date) and (ii) each Mortgage Loan in foreclosure and all REO Properties as of the close of business on the last day of such month, and the denominator of which is the Aggregate Pool Balance as of the close of business on the last day of such month.

Delinquent : For reporting purposes, a Mortgage Loan is considered “delinquent” if a monthly payment has not been received by the close of business on the loan’s due date in the following month. For example, if a borrower failed to make a monthly payment due on December 1 by December 31, that mortgage loan would be considered less than 30 days delinquent in payment. If a borrower failed to make a monthly payment due on November 1 by December 31, that mortgage loan would be considered to be at least 30 but less than 60 days delinquent in payment.

Depositor : Structured Asset Securities Corporation, a Delaware corporation having its principal place of business in New York, or its successors in interest.

Determination Date : With respect to each Distribution Date, the 18th day of the month in which such Distribution Date occurs, or, if such 18th day is not a Business Day, the next succeeding Business Day.

Disqualified Organization : A “disqualified organization” as defined in Section 860E(e)(5) of the Code.

Distressed Mortgage Loan : Any Mortgage Loan that at the date of determination is Delinquent in payment for a period of 90 days or more without giving effect to any grace period permitted by the related Mortgage Note or for which the applicable Servicer or the Trustee has accepted a deed in lieu of foreclosure.

Distribution Date : The 25th day of each month or, if such 25th day is not a Business Day, the next succeeding Business Day, commencing in February 2007.

Distribution Date Statement : As defined in Section 4.03(a).

Due Date : With respect to any Mortgage Loan, the date on which a Scheduled Payment is due under the related Mortgage Note.

Eligible Account : Either (i) an account or accounts maintained with a federal or state chartered depository institution or trust company acceptable to the Rating Agencies or (ii) an account or accounts the deposits in which are insured by the FDIC to the limits established by such corporation, provided that any such deposits not so insured shall be maintained in an account at a depository institution or trust company whose commercial paper or other short term debt obligations (or, in the case of a depository institution or trust company which is the principal subsidiary of a holding company, the commercial paper or other short term debt or deposit obligations of such holding company or depository institution, as the case may be) have been rated by each Rating Agency in its highest short-term rating category, or (iii) a segregated trust account or accounts (which shall be a “special deposit account”) maintained with the Trustee or any other federal or state chartered depository institution or trust company, acting in its fiduciary capacity, in a manner acceptable to the Trustee and the Rating Agencies. Eligible Accounts may bear interest.

Eligible Investments: Any one or more of the following obligations or securities:

(i) direct obligations of, and obligations fully guaranteed as to timely payment of principal and interest by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are backed by the full faith and credit of the United States of America (“Direct Obligations”);

(ii) federal funds, or demand and time deposits in, certificates of deposits of, or bankers’ acceptances issued by, any depository institution or trust company (including U.S. subsidiaries of foreign depositories and the Trustee or any agent of the Trustee, acting in its respective commercial capacity) incorporated or organized under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, so long as at the time of investment or the contractual commitment providing for such investment the commercial paper or other short-term debt obligations of such depository institution or trust company (or, in the case of a depository institution or trust company which is the principal subsidiary of a holding company, the commercial paper or other short-term debt or deposit obligations of such holding company or deposit institution, as the case may be) have been rated by each Rating Agency in its highest short-term rating category or one of its two highest long-term rating categories;

(iii) repurchase agreements collateralized by Direct Obligations or securities guaranteed by GNMA, FNMA or FHLMC with any registered broker/dealer subject to Securities Investor Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated by each Rating Agency in its highest short-term rating category;

(iv) securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States of America or any state thereof which have a credit rating from each Rating Agency, at the time of investment or the contractual commitment providing for such investment, at least equal to (a) one of the two highest short-term credit rating categories of S&P and Moody’s and (b) the highest short-term rating category of Fitch; *provided, however*, that securities issued by any particular corporation will not be Eligible Investments to the extent that investment therein will cause the then outstanding principal amount of securities issued by such corporation and held as part of the Trust Fund to exceed 20% of the sum of the Aggregate Pool Balance and the aggregate principal amount of all Eligible Investments in the Certificate Account; *provided, further*, that such securities will not be Eligible Investments if they are published as being under review with negative implications from any Rating Agency;

- (v) commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than 180 days after the date of issuance thereof) rated by each Rating Agency in its highest short-term rating category;
- (vi) a Qualified GIC;
- (vii) certificates or receipts representing direct ownership interests in future interest or principal payments on obligations of the United States of America or its agencies or instrumentalities (which obligations are backed by the full faith and credit of the United States of America) held by a custodian in safekeeping on behalf of the holders of such receipts; and
- (viii) any other demand, money market, common trust fund or time deposit or obligation, or interest-bearing or other security or investment (including those managed or advised by the Trustee or any Affiliate thereof), (A) rated in the highest rating category by each Rating Agency rating such investment or (B) that would not adversely affect the then current rating assigned by each Rating Agency of any of the Certificates or the NIM Securities and has a short term rating of at least “A-1” or its equivalent by each Rating Agency. Such investments in this subsection (viii) may include money market mutual funds or common trust funds, including any fund for which Wells Fargo Bank, N.A. (the “Bank”) in its capacity other than as Trustee, the Trustee, the Master Servicer, any NIMS Insurer or an affiliate thereof serves as an investment advisor, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (x) the Bank, the Trustee, the Master Servicer, any NIMS Insurer or any affiliate thereof charges and collects fees and expenses from such funds for services rendered, (y) the Bank, the Trustee, the Master Servicer, any NIMS Insurer or any affiliate thereof charges and collects fees and expenses for services rendered pursuant to this Agreement, and (z) services performed for such funds and pursuant to this Agreement may converge at any time. The Trustee specifically authorizes the Bank or an affiliate thereof to charge and collect from the Trustee such fees as are collected from all investors in such funds for services rendered to such funds (but not to exceed investment earnings thereon);

*provided, however*, that no such instrument shall be an Eligible Investment if such instrument evidences either (i) a right to receive only interest payments with respect to the obligations underlying such instrument, or (ii) 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 of greater than 120% of the yield to maturity at par of such underlying obligations, *provided* that any such investment will be a “permitted investment” within the meaning of Section 860G(a)(5) of the Code.

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

ERISA-Qualifying Underwriting: A best efforts or firm commitment underwriting or private placement that meets the requirements of an Underwriter’s Exemption.

ERISA-Restricted Certificate : Any Class B1, Class B2, Class P, Class X, Class R or Class LT-R Certificate, and any Offered Certificate which does not have a rating of BBB- or above, BBB (low) or above or Baa3 or above.

ERISA-Restricted Trust Certificate : Any Senior Certificate or Class M Certificate.

Errors and Omission Insurance Policy : The errors or omission insurance policy required to be obtained by each Servicer satisfying the requirements of the related Servicing Agreement.

Escrow Account : Any account established and maintained by each Servicer pursuant to the related Servicing Agreement.

Euroclear : Euroclear Bank, S.A./N.V., as operator of the Euroclear System.

Event of Default : Any one of the conditions or circumstances enumerated in Section 6.14(a).

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

Exchange Act Signing Party : Either the Depositor or the Master Servicer, to be determined by mutual agreement between such parties.

Excluded Trust Assets : As described in the Preliminary Statement.

Fannie Mae or FNMA : Fannie Mae, f/k/a/ the 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.

FDIC : The Federal Deposit Insurance Corporation or any successor thereto.

Fidelity Bond : The fidelity bond required to be obtained by each Servicer satisfying the requirements of the related Servicing Agreement.

Final Scheduled Distribution Date : With respect to each Class of Certificates, the Distribution Date occurring in February 2037.

Financial Intermediary : A broker, dealer, bank or other financial institution or other Person that clears through or maintains a custodial relationship with a Clearing Agency Participant.

First Payment Default Mortgage Loan : Any Mortgage Loan (i) originated by Option One in respect of which the related Mortgagor does not make the first payment due to the Seller within the timeframe required under the related PPTLs, (ii) originated by the Bank or BNC specified in Section 1.04(e) of the Mortgage Loan Sale Agreement in respect of which the related Mortgagor does not make the first payment due to the Seller within the time frame required under such section or (iii) originated by the Bank specified in Section 1.04(e) of the Mortgage Loan Sale Agreement in respect of which the related Mortgagor does not make the first or second payment due to the Seller within the time frame required under such section.

Fitch : Fitch Ratings, Inc., or any successor in interest.

Fixed Rate Mortgage Loan : Any Mortgage Loan as to which the related Mortgage Note provides for a fixed rate of interest throughout the term of such Note.

Form 8-K Disclosure Information : As defined in Section 6.20(f)(i).

Form 10-K Certification : The certification required pursuant to Rule 13a-14 under the Exchange Act.

FPD Premium : With respect to any First Payment Default Mortgage Loan or Delinquency Default Mortgage Loan purchased by the Seller from the Bank or BNC, the excess, if any of the FPD Purchase Price over the Purchase Price for such Mortgage Loan.

FPD Purchase Price : With respect to any First Payment Default Mortgage Loan or Delinquency Default Mortgage Loan, an amount equal to the sum of (a) 101.50% of the unpaid principal balance of such Mortgage Loan and (b) accrued interest thereon at the applicable Mortgage Rate from the date as to interest was last paid to (but not including) the Due Date in the Collection Period immediately preceding the related Distribution Date.

Freddie Mac or FHLMC : Freddie Mac, f/k/a the 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.

Global Securities : The global certificates representing the Book-Entry Certificates.

GNMA : The Government National Mortgage Association, a wholly owned corporate instrumentality of the United States within HUD.

Group : The Group 1 Senior Certificates or the Group 2 Senior Certificates, as the context requires.

Group 1 Senior Certificates : Collectively, the Class A1 and Class A6 Certificates.

Group 2 Senior Certificates : Collectively, the Class A2, Class A3, Class A4 and Class A5 Certificates.

Holder or Certificateholder : The registered owner of any Certificate as recorded on the books of the Certificate Registrar except that, solely for the purposes of taking any action or giving any consent pursuant to this Agreement, any Certificate registered in the name of the Depositor, the Trustee, the Master Servicer, any Servicer or the Credit Risk Manager or any Affiliate thereof shall be deemed not to be outstanding in determining whether the requisite percentage necessary to effect any such consent has been obtained, except that, in determining whether the Trustee shall be protected in relying upon any such consent, only Certificates which a Responsible Officer of the Trustee knows to be so owned shall be disregarded. The Trustee and any NIMS Insurer may request and conclusively rely on certifications by the Depositor, the Master Servicer, the applicable Servicer or the Credit Risk Manager in determining whether any Certificates are registered to an Affiliate of the Depositor, the Master Servicer, any Servicer or the Credit Risk Manager. After a Section 7.01(c) Purchase Event, other than in Sections 5.02(b) through (g) and 11.03(a) and (b) and, except in the case of the Class LT-R Certificates, Sections 3.03, 3.04, 3.05, 3.06, 3.07 and 3.09 herein, all references in this Agreement to "Holder" or "Certificateholder" shall be deemed to be references to the LTURI-holder, as recorded on the books of the Certificate Registrar, as holder of the Lower Tier Uncertificated REMIC 1 Regular Interests.

HUD: The United States Department of Housing and Urban Development, or any successor thereto.

Independent: When used with respect to any Accountants, a Person who is “independent” within the meaning of Rule 2-01(b) of the Commission’s Regulation S-X. When used with respect to any other Person, a Person who (a) is in fact independent of another specified Person and any Affiliate of such other Person, (b) does not have any material direct financial interest in such other Person or any Affiliate of such other Person, (c) is not connected with such other Person or any Affiliate of such other Person as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions and (d) is not a member of the immediate family of a Person defined in clause (b) or (c) above.

Index: The index specified in the related Mortgage Note for calculation of the Mortgage Rate thereof.

Initial LIBOR Rate: 5.320%.

Initial Optional Termination Date: The first Distribution Date following the date on which the Aggregate Pool Balance is less than 10.00% of the Cut-off Date Balance.

Initial Sale Date: The date on which the Mortgage Loan was sold by the Transferor to the Bank, as specified in the Mortgage Loan Schedule.

Insurance Fee Rate: With respect to each Mortgage Loan insured under any Bulk PMI Policy or LPMI Policy, the per annum rate specified in the Mortgage Loan Schedule under the field “Insurance Fee Rate,” plus any taxes due and payable with respect to any such insured Mortgage Loan where the related Mortgaged Property is located in the states of Kentucky and West Virginia, and beginning on January 1, 2007, Florida.

Insurance Policy: Any Primary Mortgage Insurance Policy, any standard hazard insurance policy, flood insurance policy, earthquake insurance policy or title insurance policy relating to the Mortgage Loans or the Mortgaged Properties, to be in effect as of the Closing Date or thereafter during the term of this Agreement.

Insurance Proceeds: Amounts paid by the insurer under any Insurance Policy, other than amounts (i) to cover expenses incurred by or on behalf of any Servicer or Master Servicer in connection with procuring such proceeds, (ii) to be applied to restoration or repair of the related Mortgaged Property or (iii) required to be paid over to the Mortgagor pursuant to law or the related Mortgage Note.

Interest Rate Cap Account: The account created pursuant to Section 5.07(b).

Interest Rate Cap Agreement : The interest rate cap agreement dated January 30, 2007 entered into by the Trustee on behalf of the Supplemental Interest Trust and the Cap Counterparty, which agreement provides for the monthly payment specified therein to the Trustee (for the benefit of the Certificateholders) commencing with the Distribution Date in February 2008 and ending on the Distribution Date in January 2012, by the Cap Counterparty, but subject to the conditions set forth therein together with any schedules, confirmations, Credit Support Annex or other agreements relating thereto, attached hereto as Exhibit N.

Interest Rate Cap Amount : With respect to each Distribution Date, the amount of any Interest Rate Cap Payment deposited into the Interest Rate Cap Account, and any investment earnings thereon.

Interest Rate Cap Payment : With respect to each Distribution Date, any payment required to be made by the Cap Counterparty to the Supplemental Interest Trust pursuant to the terms of the Interest Rate Cap Agreement.

Interest Rate Cap Payment Date : For so long as the Interest Rate Cap Agreement is in effect or any amounts remain unpaid thereunder, the Business Day immediately preceding each Distribution Date.

Interest Remittance Amount : With respect to each Mortgage Pool and any Distribution Date, an amount equal to (a) the sum of (1) all interest collected (other than Payaheads and Prepayment Premiums) or advanced in respect of Scheduled Payments on the Mortgage Loans in such Mortgage Pool during the related Collection Period by the applicable Servicers, the Master Servicer or the Trustee (solely in its capacity as successor master servicer), *minus* (w) the PMI Insurance Premiums related to the Mortgage Loans in such Mortgage Pool, (x) the Servicing Fee with respect to such Mortgage Loans in such Mortgage Pool and (y) previously unreimbursed Advances due to the Servicers, the Master Servicer or the Trustee (solely in its capacity as successor master servicer) to the extent allocable to interest and the allocable portion of previously unreimbursed Servicing Advances with respect to such Mortgage Loans, (2) any amounts actually paid by the Servicers with respect to Prepayment Interest Shortfalls and any Compensating Interest Payments with respect to such Mortgage Loans and the related Prepayment Period, (3) the portion of any Purchase Price (or PPTL Purchase Price (excluding any PPTL Premium) (or FPD Purchase Price (excluding any FPD Premiums) payable with respect to a First Payment Default Mortgage Loan or Delinquency Default Mortgage Loan) or Substitution Amount paid with respect to such Mortgage Loans during the related Prepayment Period allocable to interest and (4) all Net Liquidation Proceeds, Insurance Proceeds, any Subsequent Recoveries and any other recoveries collected with respect to such Mortgage Loans during the related Prepayment Period, to the extent allocable to interest, for each Mortgage Pool, *as reduced by* (b) the product of (i) the applicable Pool Percentage for such Distribution Date and (ii) any other costs, expenses or liabilities reimbursable to the Trustee, the Master Servicer, each Custodian and each Servicer to the extent provided in this Agreement, each Servicing Agreement and each Custodial Agreement; *provided, however*, that in the case of the Trustee, such reimbursable amounts to the Trustee payable from the Interest Remittance Amount and Principal Remittance Amount may not exceed \$200,000 during any Anniversary Year. In the event that the Trustee incurs reimbursable amounts in excess of \$200,000, it may seek reimbursement for such amounts in subsequent Anniversary Years, but in no event shall more than \$200,000 be reimbursed to the Trustee per Anniversary Year. Notwithstanding the foregoing, costs and expenses incurred by the Trustee pursuant to Section 6.14(a) in connection with any transfer of servicing shall be excluded from the \$200,000 per Anniversary Year limit on reimbursable amounts. For the avoidance of doubt, (i) the Interest Remittance Amount available on each Swap Payment Date for distributions to the Swap Account shall be equal to the Interest Remittance Amount on the related Distribution Date and (ii) the Interest Remittance Amount for each Distribution Date shall be calculated without regard to any distributions to the Swap Account on the related Swap Payment Date.



Intervening Assignments: The original intervening assignments of the Mortgage, notices of transfer or equivalent instrument.

JPMorgan: JPMorgan Chase Bank, National Association, or any successor in interest.

Latest Possible Maturity Date: The Distribution Date occurring in February 2042.

LBH: Lehman Brothers Holdings Inc., or any successor in interest.

LIBOR: (a) With respect to the first Accrual Period, the Initial LIBOR Rate. With respect to each subsequent Accrual Period, a per annum rate determined on the LIBOR Determination Date in the following manner by the Trustee on the basis of the "Interest Settlement Rate" set by the British Bankers' Association (the "BBA") for one-month United States dollar deposits, as such rates appear on the Telerate Page 3750, as of 11:00 a.m. (London time) on such LIBOR Determination Date.

(b) If on such a LIBOR Determination Date, the BBA's Interest Settlement Rate does not appear on the Telerate Page 3750 as of 11:00 a.m. (London time), or if the Telerate Page 3750 is not available on such date, the Trustee will obtain such rate *first* from Reuters' "page LIBOR 01," or if such page is not available, then from Bloomberg's page "BBAM." If any such rate is not published for such LIBOR Determination Date, LIBOR for such date will be the most recently published Interest Settlement Rate. In the event that the BBA no longer sets an Interest Settlement Rate, the Trustee will designate an alternative index that has performed, or that the Trustee expects to perform, in a manner substantially similar to the BBA's Interest Settlement Rate. The Trustee will select a particular index as the alternative index only if it receives an Opinion of Counsel (a copy of which shall be furnished to the Trustee and any NIMS Insurer), which opinion shall be an expense reimbursed from the Certificate Account pursuant to Section 4.04, that the selection of such index will not cause any of the REMICs to lose their classification as REMICs for federal income tax purposes.

(c) The establishment of LIBOR by the Trustee and the Trustee's subsequent calculation of the Certificate Interest Rate applicable to the LIBOR Certificates for the relevant Accrual Period, in the absence of manifest error, will be final and binding.

LIBOR Business Day: Any day on which banks in London, England and The City of New York are open and conducting transactions in foreign currency and exchange.

LIBOR Certificate : Any Class A1, Class A2, Class A3, Class A4, Class A5, Class A6, Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8, Class M9, Class B1 or Class B2 Certificate.

LIBOR Determination Date : The second LIBOR Business Day immediately preceding the commencement of each Accrual Period for any LIBOR Certificate.

Liquidated Mortgage Loan : Any defaulted Mortgage Loan as to which the Master Servicer or the applicable Servicer has determined that all amounts that it expects to recover on behalf of the Trust Fund from or on account of such Mortgage Loan have been recovered.

Liquidation Expenses : Expenses that are incurred by the Master Servicer or a Servicer in connection with the liquidation of any defaulted Mortgage Loan and are not recoverable under the related Primary Mortgage Insurance Policy, if any, including, without limitation, foreclosure and rehabilitation expenses, legal expenses and unreimbursed amounts, if any, expended pursuant to Sections 9.06, 9.16 or 9.22.

Liquidation Proceeds : Cash received in connection with the liquidation of a defaulted Mortgage Loan, whether through the sale or assignment of such Mortgage Loan, trustee's sale, foreclosure sale, payment in full, discounted payoff or otherwise, or the sale of the related Mortgaged Property if the Mortgaged Property is acquired in satisfaction of the Mortgage Loan, including any amounts remaining in the related Escrow Account.

Loan-to-Value Ratio : With respect to any Mortgage Loan, the ratio of the principal balance of such Mortgage Loan at origination, or such other date as is specified, to the Original Value of the related Mortgaged Property.

Lower Tier Interest : As described in the Preliminary Statement.

Lower Tier REMIC 1 Uncertificated Regular Interests : Lower Tier Interests of REMIC 1 constituting regular interests held in uncertificated form pursuant to a Section 7.01(c) Purchase Event.

LPMI Policy : A Primary Mortgage Insurance Policy issued by a Qualified Insurer pursuant to which the related premium is to be paid from payments by the mortgagee.

LTURI-holder : The holder of Lower Tier REMIC 1 Uncertificated Regular Interests, which upon the occurrence of a Section 7.01(c) Purchase Event shall be the Master Servicer or its designee, and including any trustee in its capacity as trustee of any privately placed securitization.

M3 Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the amount, if any, by which (x) the sum of (i) the aggregate Class Principal Amount of the Senior Certificates, in each case after giving effect to distributions on such Distribution Date and (ii) the aggregate Class Principal Amount of the Class M1, Class M2 and Class M3 Certificates immediately prior to such Distribution Date exceeds (y) the M3 Target Amount.

M3 Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 78.00% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

M4 Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the amount, if any, by which (x) the sum of (i) the aggregate Class Principal Amount of the Senior Certificates and the Class M1, Class M2 and Class M3 Certificates, in each case after giving effect to distributions on such Distribution Date and (ii) the Class Principal Amount of the Class M4 Certificates immediately prior to such Distribution Date exceeds (y) the M4 Target Amount.

M4 Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 81.50% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

M5 Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the amount, if any, by which (x) the sum of (i) the aggregate Class Principal Amount of the Senior Certificates and the Class M1, Class M2, Class M3 and Class M4 Certificates, in each case after giving effect to distributions on such Distribution Date and (ii) the Class Principal Amount of the Class M5 Certificates immediately prior to such Distribution Date exceeds (y) the M5 Target Amount.

M5 Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 83.90% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

M6 Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the amount, if any, by which (x) the sum of (i) the aggregate Class Principal Amount of the Senior Certificates and the Class M1, Class M2, Class M3, Class M4 and Class M5 Certificates, in each case after giving effect to distributions on such Distribution Date and (ii) the Class Principal Amount of the Class M6 Certificates immediately prior to such Distribution Date exceeds (y) the M6 Target Amount.

M6 Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 86.20% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

M7 Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the amount, if any, by which (x) the sum of (i) the aggregate Class Principal Amount of the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5 and Class M6 Certificates, in each case after giving effect to distributions on such Distribution Date and (ii) the Class Principal Amount of the Class M7 Certificates immediately prior to such Distribution Date exceeds (y) the M7 Target Amount.

M7 Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 88.40% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

M8 Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the amount, if any, by which (x) the sum of (i) the aggregate Class Principal Amount of the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6 and Class M7 Certificates, in each case after giving effect to distributions on such Distribution Date and (ii) the Class Principal Amount of the Class M8 Certificates immediately prior to such Distribution Date exceeds (y) the M8 Target Amount.

M8 Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 90.00% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

M9 Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the amount, if any, by which (x) the sum of (i) the aggregate of the Class Principal Amounts of the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7 and Class M8 Certificates, in each case after giving effect to distributions on such Distribution Date and (ii) the Class Principal Amount of the Class M9 Certificates immediately prior to such Distribution Date exceeds (y) the M9 Target Amount.

M9 Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 91.90% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

Master Servicer : Aurora Loan Services LLC, or any successor in interest, or if any successor master servicer shall be appointed as herein provided, then such successor master servicer.

Master Servicer Remittance Date : With respect to each Distribution Date, two Business Days immediately preceding such Distribution Date.

Master Servicing Fee : As to any Distribution Date, an amount equal to 1/12<sup>th</sup> the product of (a) the Master Servicing Fee Rate and (b) the outstanding principal balance of each Mortgage Loan.

Master Servicing Fee Rate : 0.00% per annum.

Material Defect : As defined in Section 2.02(c) hereof.

Maximum Interest Rate : The Pool 1 Maximum Interest Rate, the Pool 2 Maximum Interest Rate or the Subordinate Maximum Interest Rate, as applicable.

MERS : Mortgage Electronic Registration Systems, Inc., a Delaware corporation, or any successor in interest thereto.

MERS Mortgage Loan : Any Mortgage Loan as to which the related Mortgage, or an Assignment of Mortgage, has been or will be recorded in the name of MERS, as nominee for the holder from time to time of the Mortgage Note.

MGIC : Mortgage Guaranty Insurance Corporation, or any successor in interest.

MGIC Letter Agreement : With respect to the Bulk PMI Policy with MGIC, the Terms Letter for MGIC Mortgage Insurance Coverage covering \$113,651,015.44 in principal balance of insurance mortgage loans dated as of January 26, 2007, among Lehman Brothers Inc., MGIC and the Trustee.

Monthly Excess Cashflow : For each Distribution Date, the aggregate of any remaining Interest Remittance Amount pursuant to Section 5.02(d)(v) for such date, any Principal Distribution Amount remaining after distribution pursuant to Section 5.02(e)(ii)(C), 5.02(e)(iii) or 5.02(e)(iv)(M) for such date, and any Aggregate Overcollateralization Release Amount for such date.

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

Mortgage : A mortgage, deed of trust or other instrument encumbering a fee simple interest in real property securing a Mortgage Note, together with improvements thereto.

Mortgage File : The mortgage documents listed in Section 2.01(b) pertaining to a particular Mortgage Loan required to be delivered to the Trustee pursuant to this Agreement.

Mortgage Loan : A Mortgage and the related notes or other evidences of indebtedness secured by each such Mortgage conveyed, transferred, sold, assigned to or deposited with the Trustee pursuant to Section 2.01 or Section 2.05, including without limitation each Mortgage Loan listed on the Mortgage Loan Schedule, as amended from time to time.

Mortgage Loan Sale Agreement : The mortgage loan sale and assignment agreement dated as of January 1, 2007, for the sale of the Mortgage Loans by the Seller to the Depositor.

Mortgage Loan Schedule : The schedule attached hereto as Schedule A, which shall identify each Mortgage Loan, as such schedule may be amended from time to time to reflect the addition of Mortgage Loans to, or the deletion of Mortgage Loans from, the Trust Fund. Such schedule shall set forth, among other things, the following information with respect to each Mortgage Loan: (i) the Mortgage Loan identifying number; (ii) the city, state and zip code of the Mortgaged Property; (iii) the original principal amount of the Mortgage Loan; (iv) the Mortgage Rate at origination; (v) the monthly payment of principal and interest at origination; (vi) the Mortgage Pool in which such Mortgage Loan is included; (vii) the applicable Servicer servicing such Mortgage Loan and the applicable Servicing Fee Rate; (viii) the applicable Custodian with respect to the Mortgage File related to such Mortgage Loan; (ix) where applicable, whether such Mortgage Loan is covered by any Bulk PMI Policy or LPMI Policy and the applicable PMI Insurer and the applicable Insurance Fee Rate; (x) whether such Mortgage Loan is subject to a Prepayment Premium for voluntary prepayments by the Mortgagor, the term during which such Prepayment Premiums are imposed and the methods of calculation of the Prepayment Premium; and (xi) whether such Mortgage Loan is a Simple Interest Mortgage Loan. The Depositor shall be responsible for providing the Trustee and the Master Servicer with all amendments to the Mortgage Loan Schedule.

Mortgage Note : The note or other evidence of the indebtedness of a Mortgagor secured by a Mortgage under a Mortgage Loan.

Mortgage Pool : Any of Pool 1 or Pool 2.

Mortgage Rate : With respect to any Mortgage Loan, the per annum rate at which interest accrues on such Mortgage Loan, as determined under the related Mortgage Note as reduced by any Relief Act Reductions.

Mortgaged Property : Either of (x) the fee simple interest in real property, together with improvements thereto including any exterior improvements to be completed within 120 days of disbursement of the related Mortgage Loan proceeds, or (y) in the case of a Cooperative Loan, the related Cooperative Shares and Proprietary Lease, securing the indebtedness of the Mortgagor under the related Mortgage Loan.

Mortgagor : The obligor on a Mortgage Note.

Net Excess Spread : With respect to any Distribution Date, (A) the fraction, expressed as a percentage, the numerator of which is equal to the product of (i) the amount, if any, by which (a) the aggregate of the Interest Remittance Amounts for each Mortgage Pool for such Distribution Date (as reduced by the aggregate Credit Risk Manager's Fee) exceeds (b) the Current Interest payable with respect to the Certificates for such date and (ii) twelve, and the denominator of which is the Aggregate Pool Balance for such Distribution Date, *multiplied* by (B) a fraction, the numerator of which is thirty and the denominator of which is the greater of thirty and the actual number of days in the immediately preceding calendar month *minus* (C) the product, expressed as a percentage, of (i) the amount of any Net Swap Payment owed to the Swap Counterparty for such Distribution Date divided by the Aggregate Pool Balance as of the beginning of the related Collection Period and (ii) a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date, *plus* (D) the product, expressed as a percentage, of (i) the sum of (a) the amount of any Net Swap Payment and (b) any Interest Rate Cap Payment received by the Supplemental Interest Trust for such Distribution Date divided by the Aggregate Pool Balance as of the beginning of the related Collection Period and (ii) a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date.

Net Funds Cap: The Pool 1 Net Funds Cap, the Pool 2 Net Funds Cap or the Subordinate Net Funds Cap, as the context requires.

Net Liquidation Proceeds: With respect to any Liquidated Mortgage Loan, the related Liquidation Proceeds net of (i) unreimbursed expenses and (ii) any unreimbursed Advances, if any, received and retained in connection with the liquidation of such Mortgage Loan.

Net Mortgage Rate: With respect to any Mortgage Loan, the Mortgage Rate thereof reduced by the Aggregate Expense Rate for such Mortgage Loan.

Net Prepayment Interest Shortfall: With respect to any Master Servicer Remittance Date, the excess, if any, of any Prepayment Interest Shortfalls with respect to the Mortgage Loans for such date over any amounts paid with respect to such shortfalls by the Servicers pursuant to the Servicing Agreements.

Net Simple Interest Excess: With respect to any Distribution Date, the excess, if any, of (a) the amount of the payments received by the Servicers and the Master Servicer in the related Collection Period allocable to interest in respect of Simple Interest Mortgage Loans, calculated in accordance with the Simple Interest Method, net of the related Servicing Fees, over (b) 30 days' interest at the weighted average (by principal balance) of the Net Mortgage Rates of the Simple Interest Mortgage Loans as of the first day of the related Collection Period, as determined by the related Servicer, on the aggregate principal balance of such Simple Interest Mortgage Loans for such Distribution Date, carried to six decimal places, rounded down, and calculated on the basis of a 360-day year consisting of twelve 30-day months. For this purpose, the amount of interest received in respect of the Simple Interest Mortgage Loans in any month shall be deemed (i) to include any Advances of interest made by the related Servicer, the Master Servicer or the Trustee (solely in its capacity as successor master servicer) in such month in respect of such Simple Interest Mortgage Loans and (ii) to be reduced by any amounts paid to the related Servicer, the Master Servicer or the Trustee (solely in its capacity as successor master servicer) in such month in reimbursement of Advances previously made by the Servicer, the Master Servicer or the Trustee (solely in its capacity as successor master servicer) in respect of such Simple Interest Mortgage Loans.

Net Simple Interest Shortfall: With respect to any Distribution Date, the excess, if any, of (a) 30 days' interest at the weighted average (by principal balance) of the Net Mortgage Rates of the Simple Interest Mortgage Loans as of the first day of the related Collection Period, as determined by the related Servicer, on the aggregate principal balance of such Simple Interest Mortgage Loans for such Distribution Date, carried to six decimal places, rounded down, and calculated on the basis of a 360-day year consisting of twelve 30-day months, over (b) the amount of the payments received by the related Servicer or the Master Servicer in the related Collection Period allocable to interest in respect of such Simple Interest Mortgage Loans, calculated in accordance with the Simple Interest Method, net of the related Servicing Fees.

Net Swap Payment : With respect to each Swap Payment Date, the sum of (i) net payment required to be made pursuant to the terms of the Swap Agreement, which net payment shall not take into account any Swap Termination Payment, and (ii) any unpaid amounts due on previous Swap Payment Dates and accrued interest thereon as provided in the Swap Agreement, as calculated by the Swap Counterparty and furnished to the Trustee.

Net WAC Rate : With respect to any Distribution Date (and the related Accrual Period), a per annum rate equal to the weighted average of the Net Mortgage Rates of the Mortgage Loans as of the first day of the related Collection Period (not including for this purpose Mortgage Loans for which prepayments in full have been received and distributed in the month prior to that Distribution Date).

NIM Redemption Amount : As defined in Section 7.01(b).

NIM Residual Securities : Any preference shares, ownership certificate or other residual certificates issued in connection with any NIM Securities.

NIM Securities : Any net interest margin notes (other than any NIM Residual Securities) issued by a trust or other special purpose entity, the principal assets of such trust including the Class P and Class X Certificates and the payments received thereon, which principal assets back such notes.

NIMS Agreement : Any agreement pursuant to which the NIM Securities are issued.

NIMS Insurer : One or more insurers issuing financial guaranty insurance policies in connection with the issuance of NIM Securities.

Non-Book-Entry Certificate : Any Certificate other than a Book-Entry Certificate.

Non-MERS Mortgage Loan : Any Mortgage Loan other than a MERS Mortgage Loan.

Non-permitted Foreign Holder : As defined in Section 3.03(f).

Non-U.S. Person : Any person other than a “United States person” within the meaning of Section 7701(a)(30) of the Code.

Notional Amount : Not applicable.

Notional Certificate : Not applicable.



Offered Certificates : The Class A1, Class A2, Class A3, Class A4, Class A5, Class A6, Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8 and Class M9 Certificates.

Offering Document : Each of the Prospectus and the Private Placement Memorandum.

Officer's Certificate : A certificate signed by the Chairman of the Board, any Vice Chairman, the President, any Vice President or any Assistant Vice President of a Person, and in each case delivered to the Trustee.

Opinion of Counsel : A written opinion of counsel, reasonably acceptable in form and substance to the Trustee, and which may be in-house or outside counsel to the Depositor, the Master Servicer or the Trustee but which must be Independent outside counsel with respect to any such opinion of counsel concerning the transfer of any Residual Certificate or concerning certain matters with respect to ERISA, or the taxation, or the federal income tax status, of each REMIC.

Option One : Option One Mortgage Corporation.

Original Mortgage Loan : As described in the Preliminary Statement.

Original Value : The lesser of (a) the Appraised Value of a Mortgaged Property at the time the related Mortgage Loan was originated and (b) if the Mortgage Loan was made to finance the acquisition of the related Mortgaged Property, the purchase price paid for the Mortgaged Property by the Mortgagor at the time the related Mortgage Loan was originated.

Overcollateralization Amount : With respect to any Distribution Date, the amount, if any, by which (x) the Aggregate Pool Balance for such Distribution Date exceeds (y) the aggregate Class Principal Amount of the LIBOR Certificates after giving effect to distributions on such Distribution Date.

Overcollateralization Deficiency : With respect to any Distribution Date, the amount, if any, by which (x) the Targeted Overcollateralization Amount for such Distribution Date exceeds (y) the Overcollateralization Amount for such Distribution Date, calculated for this purpose after giving effect to the reduction on such Distribution Date of the Certificate Principal Amounts of the LIBOR Certificates resulting from the distribution of the Principal Distribution Amount on such Distribution Date, but prior to allocation of any Applied Loss Amount on such Distribution Date.

Overcollateralization Floor : An amount equal to \$6,055,759.92 (which is approximately 0.50% of the Cut-off Date Balance).

Payahead : With respect to any Mortgage Loan and any Due Date therefor, any Scheduled Payment received by the applicable Servicer during any Collection Period in addition to the Scheduled Payment due on such Due Date, intended by the related Mortgagor to be applied on a subsequent Due Date or Due Dates.

Paying Agent : Any paying agent appointed pursuant to Section 3.08.

PCAOB: The Public Company Accounting Oversight Board.

Percentage Interest: With respect to any Certificate, its percentage interest in the undivided beneficial ownership interest in the Trust Fund evidenced by all Certificates of the same Class as such Certificate. With respect to any LIBOR Certificate, the Percentage Interest evidenced thereby shall equal the Certificate Principal Amount thereof divided by the Class Principal Amount of all Certificates of the same Class. With respect to the Class X, Class P, Class R and Class LT-R Certificates, the Percentage Interest evidenced thereby shall be as specified on the face thereof, or otherwise be equal to 100%.

Permitted Servicing Amendment: Any amendment to any Servicing Agreement pursuant to Section 11.03(a)(iii) hereunder in connection with any servicing transfer or transfer of any servicing rights.

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

Plan: An employee benefit plan or other retirement arrangement which is subject to Section 406 of ERISA and/or Section 4975 of the Code or any entity whose underlying assets include such plan's or arrangement's assets by reason of their investment in the entity.

Plan Asset Regulations: The Department of Labor regulations set forth in 29 C.F.R. 2510.3-101.

PMI Insurance Premium: With respect to each Distribution Date and each Mortgage Loan covered by a Bulk PMI Policy or other lender-paid Primary Mortgage Insurance Policy, the product of (a) one-twelfth of the applicable Insurance Fee Rate and (b) the Scheduled Principal Balance of such Mortgage Loan as of the first day of the related Collection Period.

PMI Insurer: MGIC and PMI Mortgage.

PMI Letter Agreement: With respect to the Bulk PMI Policy with PMI Mortgage, the Terms Letter for PMI Mortgage Insurance Coverage covering \$70,369,183.73 in principal balance of insurance mortgage loans dated as of January 30, 2007, among LBH, PMI Mortgage and the Trustee.

PMI Mortgage: PMI Mortgage Insurance Co.

Pool 1: The aggregate of the Mortgage Loans identified on the Mortgage Loan Schedule as being included in Pool 1.

Pool 1 Maximum Interest Rate: For the Group 1 Senior Certificates, for each Distribution Date on or before the Distribution Date on which the aggregate Class Principal Amount of the Group 2 Senior Certificates has been reduced to zero, an annual rate equal to (a) the product, expressed as a percentage, of (1) the amount, if any, by which the weighted average of the excess of the maximum "lifetime" Mortgage Rates, as specified in the related Mortgage Notes for the Pool 1 Mortgage Loans exceeds the applicable weighted average Aggregate Expense Rate and (2) a fraction, the numerator of which is 30 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date; *plus* (b) the product, expressed as a percentage, of (1) sum of (x) the amount of any Net Swap Payment owed by the Swap Counterparty on the related Swap Payment Date allocable to Pool 1 (based on the applicable Pool Percentage) and (y) any Interest Rate Cap Amount owed by the Cap Counterparty on the related Interest Rate Cap Payment Date allocable to Pool 1 (based on the applicable Pool Percentage) divided by the Pool Balance for Pool 1 as of the beginning of the related Collection Period and (2) a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date; *minus* (c) the product, expressed as a percentage, of (1) a fraction, expressed as a percentage, the numerator of which is the amount of any Net Swap Payment owed to the Swap Counterparty on the related Swap Payment Date allocable to Pool 1 (based on the applicable Pool Percentage) and the denominator of which is the Pool Balance for Pool 1 as of the beginning of the related Collection Period and (2) a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date.

Pool 1 Net Funds Cap : For the Group 1 Senior Certificates, and for each Distribution Date on or before the Distribution Date on which the aggregate Class Principal Amount of the Group 2 Certificates has been reduced to zero, a per annum rate equal to (a) a fraction, expressed as a percentage, the numerator of which is the product of (1) the excess, if any, of (i) the Pool 1 Optimal Interest Remittance Amount for such date over (ii) any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date allocable to Pool 1 (based on the applicable Pool Percentage) and (2) 12, and the denominator of which is the Pool Balance for Pool 1 as of the first day of the related Collection Period (excluding for this purpose any Mortgage Loans in Pool 1 for which any Principal Prepayments in full have been deposited into the Collection Account and distributed therefrom in accordance with Section 5.02 during the month prior to such Distribution Date), multiplied by (b) a fraction, the numerator of which is 30 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date.

Pool 1 Optimal Interest Remittance Amount : With respect to each Distribution Date, an amount equal to the product of (a) the quotient of (i) the weighted average of the Net Mortgage Rates of the Mortgage Loans in Pool 1 as of the first day of the related Collection Period, and (ii) 12 and (b) the Pool Balance for Pool 1 as of the first day of the related Collection Period (excluding for purposes of clauses (a)(i) and (b) any Mortgage Loans in Pool 1 for which any Principal Prepayments in full have been deposited into the Collection Account and distributed therefrom in accordance with Section 5.02 during the month prior to such Distribution Date).

Pool 2 : The aggregate of the Mortgage Loans identified on the Mortgage Loan Schedule as being included in Pool 2.

Pool 2 Maximum Interest Rate : For the Group 2 Senior Certificates, and for each Distribution Date on or before the Distribution Date on which the aggregate Class Principal Amounts of the Group 1 Senior Certificates have been reduced to zero, an annual rate equal to (a) the product, expressed as a percentage, of (1) the amount, if any, by which the weighted average of the excess of the maximum “lifetime” Mortgage Rates, as specified in the related Mortgage Notes for the Pool 2 Mortgage Loans exceeds the applicable weighted average Aggregate Expense Rate and (2) a fraction, the numerator of which is 30 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date; *plus* (b) the product, expressed as a percentage, of (1) the sum of (x) the amount of any Net Swap Payment owed by the Swap Counterparty on the related Swap Payment Date allocable to Pool 2 (based on the applicable Pool Percentage) and (y) any Interest Rate Cap Amount owed by the Cap Counterparty on the related Interest Rate Cap Payment Date allocable to Pool 2 (based on the applicable Pool Percentage) divided by the Pool Balance for Pool 2 as of the beginning of the related Collection Period and (2) a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date; *minus* (c) the product, expressed as a percentage, of (1) a fraction, expressed as a percentage, the numerator of which is the amount of any Net Swap Payment owed to the Swap Counterparty on the related Swap Payment Date allocable to Pool 2 (based on the applicable Pool Percentage) and the denominator of which is the Pool Balance for Pool 2 as of the beginning of the related Collection Period and (2) a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date.

Pool 2 Net Funds Cap: For the Group 2 Senior Certificates, and for each Distribution Date on or before the Distribution Date on which the aggregate Class Principal Amount of the Group 1 Senior Certificates has been reduced to zero, a per annum rate equal to (a) a fraction, expressed as a percentage, the numerator of which is the product of (1) the excess, if any, of (i) the Pool 2 Optimal Interest Remittance Amount for such date over (ii) any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date allocable to Pool 2 (based on the applicable Pool Percentage) and (2) 12, and the denominator of which is the Pool Balance for Pool 2 as of the first day of the related Collection Period (excluding for this purpose any Mortgage Loans in Pool 2 for which any Principal Prepayments in full have been deposited into the Collection Account and distributed therefrom in accordance with Section 5.02 during the month prior to such Distribution Date), multiplied by (b) a fraction, the numerator of which is 30 and the denominator of which is the actual number of days in the Accrual Period related to such Distribution Date.

Pool 2 Optimal Interest Remittance Amount: With respect to each Distribution Date, an amount equal to the product of (a) the quotient of (i) the weighted average of the Net Mortgage Rates of the Mortgage Loans in Pool 2 as of the first day of the related Collection Period, and (ii) 12 and (b) the Pool Balance for Pool 2 as of the first day of the related Collection Period (excluding for purposes of clauses (a)(i) and (b) any Mortgage Loans in Pool 2 for which any Principal Prepayments in full have been deposited into the Collection Account and distributed therefrom in accordance with Section 5.02 during the month prior to such Distribution Date).

Pool Balance: With respect to each Mortgage Pool, the aggregate of the Scheduled Principal Balances of all Mortgage Loans in such Mortgage Pool at the date of determination.

Pool Percentage: With respect to each Mortgage Pool and any Distribution Date, the fraction, expressed as a percentage, the numerator of which is the Pool Balance for such Mortgage Pool for such date and the denominator of which is the Aggregate Pool Balance for such date.

Pool Subordinate Amount : As to each Mortgage Pool and any Distribution Date, the excess of the Pool Balance for such Mortgage Pool as of the first day of the immediately preceding Collection Period over (i) the Class Principal Amount of the Group 1 Senior Certificates (in the case of Pool 1) or (ii) the aggregate Class Principal Amounts of the Group 2 Senior Certificates (in the case of Pool 2) immediately prior to the related Distribution Date.

PPTL Premium : With respect to any First Payment Default Mortgage Loan, the excess, if any, of the PPTL Purchase Price over the Purchase Price.

PPTL Purchase Price : The purchase price paid for a First Payment Default Mortgage Loan which is required to be repurchased by Option One pursuant to the related PPTL.

PPTLs : With respect to any Mortgage Loan, each of the applicable purchase price and terms letters between the Bank and Option One, including but not limited to the purchase price and terms letter between the Bank and Option One.

Prepayment Interest Shortfall : With respect to any full or partial Principal Prepayment of a Mortgage Loan, the excess, if any, of (i) one full month's interest at the applicable Mortgage Rate (as reduced by the Servicing Fee, as applicable, in the case of Principal Prepayments in full) on the outstanding principal balance of such Mortgage Loan immediately prior to such prepayment over (ii) the amount of interest actually received with respect to such Mortgage Loan in connection with such Principal Prepayment.

Prepayment Period : (a) With respect to any Distribution Date and any Principal Prepayment in part in respect of any Mortgage Loan serviced by a Servicer and any Principal Prepayment in full in respect of any Mortgage Loan serviced by Option One, the calendar month immediately preceding the month in which such Distribution Date occurs, (b) with respect to any Distribution Date and any Principal Prepayment in full in respect of any Mortgage Loan serviced by Aurora, the period from the seventeenth (17<sup>th</sup>) day of the preceding calendar month through the sixteenth (16<sup>th</sup>) day of the calendar month in which the Distribution Date occurs (except in the case of the Distribution Date in February 2007, for which the related Prepayment Period will be the period from January 1, 2007 through February 16, 2007) and (c) with respect to any Distribution Date and any Principal Prepayment in full in respect of any Mortgage Loan serviced by JPMorgan, the period from the fifteenth (15<sup>th</sup>) day of the preceding calendar month through the fourteenth (14<sup>th</sup>) day of the calendar month in which the Distribution Date occurs (except in the case of the Distribution Date in February 2007, for which the related Prepayment Period will be the period from January 1, 2007 through February 15, 2007).

Prepayment Premiums : Any prepayment fees and penalties to be paid by the Mortgagor on a Mortgage Loan.

Primary Mortgage Insurance Policy : Any mortgage guaranty insurance, if any, on an individual Mortgage Loan, including any Bulk PMI Policy or any LPMI Policy, as evidenced by a policy or certificate, whether such policy is obtained by the originator, the lender, the borrower or the Seller on behalf of the Trust Fund.

Prime Rate : The prime rate of the United States money center commercial banks as published in The Wall Street Journal .

Principal Distribution Amount : With respect to each Mortgage Pool and any Distribution Date, an amount equal to the Principal Remittance Amount for such Mortgage Pool for such date *minus* the Aggregate Overcollateralization Release Amount, if any, allocable to such Mortgage Pool, for such Distribution Date (based on the applicable Pool Percentage).

Principal Prepayment : Any Mortgagor payment of principal (other than a Balloon Payment) or other recovery of principal on a Mortgage Loan that is recognized as having been received or recovered in advance of its scheduled Due Date and applied to reduce the principal balance of the Mortgage Loan in accordance with the terms of the Mortgage Note or the related Servicing Agreement.

Principal Remittance Amount : With respect to each Mortgage Pool and any Distribution Date, (a) the sum of (i) all principal collected (other than Payaheads and Prepayment Premiums) or advanced in respect of Scheduled Payments on the Mortgage Loans in such Mortgage Pool during the related Collection Period whether by the applicable Servicers, the Master Servicer or the Trustee (solely in its capacity as successor Master Servicer) (less unreimbursed Advances due to the Master Servicer, any Servicer or the Trustee with respect to the related Mortgage Loans, to the extent allocable to principal), (ii) all Principal Prepayments in full or in part received during the related Prepayment Period on the Mortgage Loans in such Mortgage Pool, (iii) the outstanding principal balance of each Mortgage Loan (excluding any FPD Premium) in such Mortgage Pool that was purchased from the Trust Fund by the Seller during the related Prepayment Period or the NIMS Insurer (in the case of certain Mortgage Loans 90 days or more delinquent) from such Mortgage Pool, (iv) the portion of the Purchase Price (or the PPTL Purchase Price (excluding any PPTL Premium) or FPD Purchase Price (excluding any FPD Premium) payable with respect to a First Payment Default Mortgage Loan or Delinquency Default Mortgage Loan) or the portion of any Substitution Amount paid with respect to any Deleted Mortgage Loan in such Mortgage Pool during the related Prepayment Period allocable to principal and (v) all Net Liquidation Proceeds, Insurance Proceeds, any Subsequent Recovery and other recoveries collected with respect to the Mortgage Loans in such Mortgage Pool during the related Prepayment Period, to the extent allocable to principal, as reduced by (b) to the extent not reimbursed from amounts otherwise allocable to interest, the related Pool Percentage for such date of any other costs, expenses or liabilities reimbursable to the Trustee, the Master Servicer, each Custodian and each Servicer to the extent provided in this Agreement, each Servicing Agreement and each Custodial Agreement and, with respect to the Trustee, to the extent the Interest Remittance Amount is less than amounts reimbursable to the Trustee pursuant to Section 4.04(b) (i), the product of (x) the applicable Pool Percentage for such Distribution Date and (y) any amounts reimbursable during the related Anniversary Year to the Trustee therefrom and not reimbursed from the Interest Remittance Amount, or otherwise; *provided, however* , that such reimbursable amounts from the Interest Remittance Amount and Principal Remittance Amount may not exceed \$200,000 in the aggregate during any Anniversary Year. In the event that the Trustee incurs reimbursable amounts in excess of \$200,000, it may seek reimbursement for such amounts in subsequent Anniversary Years, but in no event shall more than \$200,000 be reimbursed to the Trustee per Anniversary Year. Notwithstanding the foregoing, costs and expenses incurred by the Trustee pursuant to Section 6.14(a) in connection with any transfer of servicing shall be excluded from the \$200,000 per Anniversary Year limit on reimbursable amounts. For the avoidance of doubt, (i) the Principal Remittance Amount available on each Swap Payment Date for distributions to the Swap Account shall be equal to the Principal Remittance Amount on the related Distribution Date and (ii) the Principal Remittance Amount for each Distribution Date shall be calculated without regard to any distributions to the Swap Account on the related Swap Payment Date.

Private Placement Memorandum : The private placement memorandum dated January 25, 2007, relating to the Class B Certificates.

Proceeding : Any suit in equity, action at law or other judicial or administrative proceeding.

Proprietary Lease : With respect to any Cooperative Unit, a lease or occupancy agreement between a Cooperative Corporation and a holder of related Cooperative Shares.

Prospectus : The prospectus supplement dated January 25, 2007, together with the accompanying prospectus dated November 13, 2006, relating to the Offered Certificates.

Purchase Price : With respect to the purchase of a Mortgage Loan or related REO Property pursuant to this Agreement, an amount equal to the sum of (a) 100% of the unpaid principal balance of such Mortgage Loan; (b) accrued interest thereon at the applicable Mortgage Rate, from the date as to which interest was last paid to (but not including) the Due Date in the Collection Period immediately preceding the related Distribution Date; (c) the amount of any costs and damages incurred by the Trust Fund as a result of any violation of any applicable federal, state or local predatory- or abusive-lending law arising from or in connection with the origination of such Mortgage Loan; and (d) any unreimbursed Servicing Advances with respect to such Mortgage Loan. The Master Servicer, each Servicer, each Custodian (or the Trustee, if applicable) shall be reimbursed from the Purchase Price for any Mortgage Loan or related REO Property for any Advances made or other amounts advanced with respect to such Mortgage Loan that are reimbursable to the Master Servicer or such Servicer under this Agreement or the related Servicing Agreement (or to the Trustee, if applicable), together with any accrued and unpaid compensation due to the Master Servicer, any Servicer, each Custodian or the Trustee hereunder or thereunder.

Purchaser Call Option Notice : As defined in Section 7.01(d).

QIB : As defined in Section 3.03(c).

Qualified GIC : A guaranteed investment contract or surety bond providing for the investment of funds in the Collection Account or the Certificate Account and insuring a minimum, fixed or floating rate of return on investments of such funds, which contract or surety bond shall:

- (i) be an obligation of an insurance company or other corporation whose long-term debt is rated by each Rating Agency in one of its two highest rating categories or, if such insurance company has no long-term debt, whose claims paying ability is rated by each Rating Agency in one of its two highest rating categories, and whose short-term debt is rated by each Rating Agency in its highest rating category;

(ii) provide that the Trustee or Master Servicer, as applicable, may exercise all of the rights under such contract or surety bond without the necessity of taking any action by any other Person;

(iii) provide that if at any time the then current credit standing of the obligor under such guaranteed investment contract is such that continued investment pursuant to such contract of funds would result in a downgrading of any rating of the Certificates or the NIM Securities, the Trustee or Master Servicer, as applicable, shall terminate such contract without penalty and be entitled to the return of all funds previously invested thereunder, together with accrued interest thereon at the interest rate provided under such contract to the date of delivery of such funds to the Trustee;

(iv) provide that the interest of the Trustee or Master Servicer, as applicable, therein shall be transferable to any successor trustee or master servicer hereunder; and

(v) provide that the funds reinvested thereunder and accrued interest thereon be returnable to the Collection Account or the Certificate Account, as the case may be, not later than the Business Day prior to any Distribution Date.

**Qualified Insurer :** An insurance company duly qualified as such under the laws of the states in which the related Mortgaged Properties are located, duly authorized and licensed in such states to transact the applicable insurance business and to write the insurance provided and whose claims paying ability is rated by each Rating Agency in its highest rating category or whose selection as an insurer will not adversely affect the ratings of the Certificates.

**Qualifying Substitute Mortgage Loan :** In the case of a Mortgage Loan substituted for a Deleted Mortgage Loan pursuant to the terms of this Agreement, a Mortgage Loan that, on the date of such substitution, (i) has an outstanding Scheduled Principal Balance (or in the case of a substitution of more than one mortgage loan for a Deleted Mortgage Loan, an aggregate Scheduled Principal Balance), after application of all Scheduled Payments due during or prior to the month of substitution, not in excess of, and not more than 5% less than, the outstanding Scheduled Principal Balance of the Deleted Mortgage Loan as of the Due Date in the calendar month during which the substitution occurs, (ii) has a Mortgage Rate not less than the Mortgage Rate on the Deleted Mortgage Loan, (iii) if applicable, has a maximum Mortgage Rate not less than the maximum Mortgage Rate on the Deleted Mortgage Loan, (iv) if applicable, has a minimum Mortgage Rate not less than the minimum Mortgage Rate of the Deleted Mortgage Loan, (v) if applicable, has a gross margin equal to or greater than the gross margin of the Deleted Mortgage Loan, (vi) is not a Cooperative Loan unless the related Deleted Mortgage Loan was a Cooperative Loan, (vii) if applicable, has a next adjustment date not later than the next adjustment date on the Deleted Mortgage Loan, (viii) has the same Due Date as the Deleted Mortgage Loan, (ix) has a remaining stated term to maturity not longer than 18 months and not more than 18 months shorter than the remaining stated term to maturity of the related Deleted Mortgage Loan; *provided*, that in no case should such substitute Mortgage Loan have a maturity date later than the Final Scheduled Distribution Date; (x) is current as of the date of substitution, (xi) has a Loan-to-Value Ratio as of the date of substitution equal to or lower than the Loan-to-Value Ratio of the Deleted Mortgage Loan as of such date, (xii) has been underwritten by the Transferor in accordance with the same underwriting criteria and guidelines as the Deleted Mortgage Loan, (xiii) has a risk grading determined by the Seller at least equal to the risk grading assigned on the Deleted Mortgage Loan, (xiv) is secured by the same property type as the Deleted Mortgage Loan, (xv) conforms to each representation and warranty applicable to the Deleted Mortgage Loan made in the related Mortgage Loan Sale Agreement, (xvi) has the same or higher lien position as the Deleted Mortgage Loan, (xvii) is covered by a Primary Mortgage Insurance Policy if the Deleted Mortgage Loan was so covered, (xviii) contains provisions covering the payment of Prepayment Premium by the Mortgagor for early prepayment of the Mortgage Loan at least as favorable as the Deleted Mortgage Loan and (xix) for any Mortgage Loan to be substituted into Pool 1, has an original Scheduled Principal Balance within the maximum dollar amount limitations prescribed by Fannie Mae for conforming one-to-four family first and second lien residential mortgaged properties. In the event that one or more mortgage loans are substituted for one or more Deleted Mortgage Loans, the amounts described in clause (i) hereof shall be determined on the basis of aggregate Scheduled Principal Balances, the Mortgage Rates described in clause (ii) hereof shall be determined on the basis of weighted average Mortgage Rates, the risk gradings described in clause (xiii) hereof shall be satisfied as to each such mortgage loan, the terms described in clause (ix) hereof shall be determined on the basis of weighted average remaining term to maturity; *provided*, that the stated maturity date of any Qualifying Substitute Mortgage Loan shall not be later than the Final Scheduled Distribution Date, the Loan-to-Value Ratios described in clause (xi) hereof shall be satisfied as to each such mortgage loan and, except to the extent otherwise provided in this sentence, the representations and warranties described in clause (xv) hereof must be satisfied as to each Qualifying Substitute Mortgage Loan or in the aggregate, as the case may be.



Rating Agency : Each of DBRS, Fitch, Moody's and S&P.

Realized Loss : With respect to each Liquidated Mortgage Loan, an amount equal to (i) the unpaid principal balance of such Mortgage Loan as of the date of liquidation, *minus* (ii) Liquidation Proceeds received, to the extent allocable to principal, net of amounts that are reimbursable therefrom to the Master Servicer or any Servicer with respect to such Mortgage Loan (other than Advances of principal) including expenses of liquidation. In determining whether a Realized Loss is a Realized Loss of principal, Liquidation Proceeds shall be allocated, first, to payment of expenses related to such Liquidated Mortgage Loan, then to accrued unpaid interest and finally to reduce the principal balance of the Mortgage Loan.

Recognition Agreement : With respect to any Cooperative Loan, an agreement between the related Cooperative Corporation and the originator of such Mortgage Loan to establish the rights of such originator in the related Cooperative Property.

Record Date : With respect to any Class of Book-Entry Certificates and any Distribution Date, the close of business on the Business Day immediately preceding such Distribution Date. With respect to any Class of Definitive Certificates and any Distribution Date, the last Business Day of the month immediately preceding the month in which the Distribution Date occurs (or, in the case of the first Distribution Date, the Closing Date).

Regular Interests Purchase Option : As defined in Section 7.01(c).

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.

Regulation S : Regulation S promulgated under the Securities Act or any successor provision thereto, in each case as the same may be amended from time to time; and all references to any rule, section or subsection of, or definition or term contained in, Regulation S means such rule, section, subsection, definition or term, as the case may be, or any successor thereto, in each case as the same may be amended from time to time.

Regulation S Global Security : The meaning specified in Section 3.01(d).

Related Senior Principal Distribution Amount : For each Mortgage Pool and any Distribution Date on or after the Stepdown Date and for as long as a Trigger Event is not in effect, an amount equal to the lesser of (x) the Class Principal Amount of the Group 1 Senior Certificates (with respect to Pool 1) or the sum of the Class Principal Amounts of the Group 2 Senior Certificates (with respect to Pool 2) immediately prior to such date and (y) the product of (a) the Senior Principal Distribution Amount and (b) the related Senior Proportionate Percentage, in each case for such date.

Related Senior Priority : With respect to each of Group 1 Senior Certificates and the Group 2 Senior Certificates, the priority of distribution on the Senior Certificates relating to such Groups as described in Sections 5.02(e)(i)(A)(3) and 5.02(e)(i)(B)(3), respectively.

Relevant Servicing Criteria : The Servicing Criteria applicable to each party, as set forth on Exhibit S attached hereto. Multiple parties can have responsibility for the same Relevant Servicing Criteria. With respect to a Servicing Function Participant engaged by the Master Servicer, the Paying Agent, the Trustee, the Credit Risk Manager, each Custodian or each Servicer, the term "Relevant Servicing Criteria" may refer to a portion of the Relevant Servicing Criteria applicable to such parties.

Relief Act Reduction : With respect to any Mortgage Loan as to which there has been a reduction in the amount of interest collectible thereon as a result of application of the Civil Relief Act, any amount by which interest collectible on such Mortgage Loan for the Due Date in the related Collection Period is less than interest accrued thereon for the applicable one-month period at the Mortgage Rate without giving effect to such reduction.

REMIC : Each pool of assets in the Trust Fund designated as a REMIC pursuant to the Preliminary Statement.

REMIC 1 : As described in the Preliminary Statement.

REMIC 2 : As described in the Preliminary Statement.

REMIC 3 : As described in the Preliminary Statement.

REMIC 3 Net Funds Cap : For any Distribution Date (and the related Accrual Period) and any Class of Certificates, an amount equal to (i) the weighted average of the interest rates on the Lower Tier Interests in REMIC 3 (other than an interest-only regular interest), weighted in proportion to their Class Principal Amounts as of the beginning of the related Accrual Period, multiplied by (ii) an amount equal to (a) 30, divided by (b) the actual number of days in the Accrual Period.

REMIC 4 : As described in the Preliminary Statement.

REMIC Provisions : The provisions of the federal income tax law relating to real estate mortgage investment conduits, which appear at sections 860A through 860G of Subchapter M of Chapter 1 of the Code, and related provisions, and regulations, including proposed regulations and rulings, and administrative pronouncements promulgated thereunder, as the foregoing may be in effect from time to time.

REMIC Swap Rate : For each Distribution Date (and the related Accrual Period), a per annum rate equal to the product of: (i) the “Rate of Payment (%)” under the Swap Agreement for such Distribution Date, as set forth in Annex C-1 to the Prospectus Supplement, (ii) 2, and (iii) the quotient of (a) the actual number of days in the related Accrual Period divided by (b) 30.

REO Property : A Mortgaged Property acquired by the Trust Fund through foreclosure or deed-in-lieu of foreclosure in connection with a defaulted Mortgage Loan or otherwise treated as having been acquired pursuant to the REMIC Provisions.

Reportable Event : As defined in Section 6.20(f)(i).

Reporting Servicer : As defined in Section 6.20(e)(i).

Required Reserve Fund Deposit : With respect to any Distribution Date on which the Net Excess Spread is less than 0.25%, the amount, if any by which (a) the product of 1.00% and the Aggregate Pool Balance for such date exceeds (b) the amount on deposit in the Basis Risk Reserve Fund immediately prior to such date. With respect to any Distribution Date on which the Net Excess Spread is equal to or greater than 0.25%, the amount, if any, by which (i) \$1,000 exceeds the amount on deposit in the Basis Risk Reserve Fund immediately prior to such date; *provided, however* , that on any Distribution Date on which the Class Principal Amount of each Class of Offered Certificates, Class B1 Certificates and Class B2 Certificates has been reduced to zero, the Required Reserve Fund Deposit shall be zero.

Residual Certificate : Any Class R or Class LT-R Certificate.

Responsible Officer or responsible officer : When used with respect to the Trustee (including in its capacity as Paying Agent), any vice president, assistant vice president, the secretary, any assistant secretary, or any officer, working in its Corporate Trust Office, or corporate trust group, as applicable, and having responsibility for the administration of this Agreement, and any other officer to whom a matter arising under this Agreement may be referred.

Restricted Certificate : Any Class B1, Class B2, Class P, Class X, Class R or Class LT-R Certificate.

Restricted Global Security : As defined in Section 3.01(c).

Rolling Three Month Delinquency Rate : With respect to any Distribution Date, the fraction, expressed as a percentage, equal to the average of the Delinquency Rates for each of the three (or one and two, in the case of the first and second Distribution Dates, respectively) immediately preceding calendar months.

Rules : As defined in Section 6.20(c).

S&P : Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor in interest.

Sarbanes-Oxley Act : The Sarbanes-Oxley Act of 2002 and the rules and regulations of the Commission promulgated thereunder (including any interpretations thereof by the Commission's staff).

Sarbanes-Oxley Certification : A written certification covering the activities of all Servicing Function Participants and signed by an officer of the Exchange Act Signing Party that complies with Section 302 of the Sarbanes-Oxley Act, as amended from time to time.

Scheduled Payment : Each scheduled payment of principal and interest (or of interest only, if applicable) to be paid by the Mortgagor on a Mortgage Loan, as reduced (except where otherwise specified herein) by the amount of any related Debt Service Reduction (excluding all amounts of principal and interest that were due on or before the Cut-off Date, whenever received) and, in the case of an REO Property, an amount equivalent to the Scheduled Payment that would have been due on the related Mortgage Loan if such Mortgage Loan had remained in existence.

Scheduled Principal Balance : With respect to (i) any Mortgage Loan (other than a Simple Interest Mortgage Loan) as of any Distribution Date, the principal balance of such Mortgage Loan at the close of business on the Cut-off Date after giving effect to principal payments due on or before the Cut-off Date, whether or not received, less an amount equal to principal payments due after the Cut-off Date, and on or before the Due Date in the related Collection Period, whether or not received from the Mortgagor or advanced by any Servicer or the Master Servicer, and all amounts allocable to unscheduled principal payments (including Principal Prepayments, Liquidation Proceeds, Insurance Proceeds and condemnation proceeds, in each case to the extent identified and applied prior to or during the related Prepayment Period) and (ii) any REO Property as of any Distribution Date, the Scheduled Principal Balance of the related Mortgage Loan on the Due Date immediately preceding the date of acquisition of such REO Property by or on behalf of the Trustee (reduced by any amount applied as a reduction of principal on the Mortgage Loan). With respect to any Mortgage Loan as of the Cut-off Date, the principal balance of such Mortgage Loan as specified in the Mortgage Loan Schedule. The Scheduled Principal Balance of any Liquidated Mortgage Loan shall be zero. In the case of a Simple Interest Mortgage Loan, references herein to such Mortgage Loan's Scheduled Principal Balance shall mean its actual unpaid principal balance. The actual unpaid principal balance of a Simple Interest Mortgage Loan with respect to any Distribution Date shall be determined by subtracting from such Mortgage Loan's unpaid principal balance as of the end of the preceding Collection Period the amount of the borrower's fixed monthly payment for the related Collection Period that is not allocated to the payment of interest applying the Simple Interest Method.

Section 7.01(c) Purchase Event : The purchase of all the Lower Tier REMIC 1 Uncertificated Regular Interests.

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

Security Agreement : With respect to any Cooperative Loan, the agreement between the owner of the related Cooperative Shares and the originator of the related Mortgage Note that defines the terms of the security interest in such Cooperative Shares and the related Proprietary Lease.

Seller : Lehman Brothers Holdings Inc., or any successor in interest.

Seller Remittance Amount : With respect to each Servicer, the meaning assigned to such term in the related Servicing Agreement.

Senior Certificate : Any Class A1, Class A2, Class A3, Class A4, Class A5 or Class A6 Certificate.

Senior Enhancement Percentage : With respect to any Distribution Date, the fraction, expressed as a percentage, the numerator of which is the sum of the aggregate Class Principal Amount of the Subordinate Certificates and the Overcollateralization Amount (which amount, for purposes of this definition only, shall not be less than zero and assuming for purposes of this definition that the Principal Distribution Amount has been distributed on such Distribution Date and no Trigger Event has occurred) and the denominator of which is the Aggregate Pool Balance for such Distribution Date, in each case after giving effect to distributions on such Distribution Date.

Senior Principal Distribution Amount : With respect to any Distribution Date on or after the Stepdown Date and as long as a Trigger Event is not in effect with respect to such Distribution Date, the lesser of (x) the aggregate Principal Distribution Amount for both Mortgage Pools and (y) the amount, if any by which (A) the aggregate Class Principal Amount of the Senior Certificates immediately prior to such Distribution Date exceeds (B) the Senior Target Amount.

Senior Proportionate Percentage : With respect to Pool 1 and any Distribution Date, the fraction, expressed as a percentage, the numerator of which is the Principal Remittance Amount for Pool 1 for such Distribution Date and the denominator of which is the aggregate of the Principal Remittance Amounts for Pool 1 and Pool 2 for such Distribution Date. With respect to Pool 2 and any Distribution Date, the fraction, expressed as a percentage, the numerator of which is the Principal Remittance Amount for Pool 2 for such Distribution Date and the denominator of which is the aggregate of the Principal Remittance Amounts for Pool 1 and Pool 2 for such Distribution Date.

Senior Target Amount : With respect to any Distribution Date, an amount equal to the lesser of (a) the product of (i) 50.00% and (ii) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period and (b) the amount, if any, by which (i) the Aggregate Pool Balance for such Distribution Date determined as of the last day of the related Collection Period exceeds (ii) the Overcollateralization Floor.

Servicer Remittance Date : The day in each calendar month on which each Servicer is required to remit payments to the Collection Account, as specified in the related Servicing Agreement, which is the 18<sup>th</sup> day of each calendar month (or, if such 18<sup>th</sup> day is not a Business Day, the next succeeding Business Day).

Servicers : As of the Closing Date, Option One, JPMorgan and Aurora and any successors in interest.

Service(s)(ing) : In accordance with Regulation AB, the act of managing or collecting payments on the Mortgage Loans or any other assets of the Trust Fund by an entity that meets the definition of “servicer” set forth in Item 1101 of Regulation AB. For clarification purposes, any uncapitalized occurrence of this term shall have the meaning commonly understood by participants in the residential mortgage-backed securitization market.

Servicing Advances : All customary, reasonable and necessary “out of pocket” costs and expenses other than Advances (including reasonable attorneys’ fees and disbursements) incurred in the performance by a Servicer of its servicing obligations, including, but not limited to, the cost of (a) the preservation, inspection, restoration and protection of the Mortgaged Property, (b) any enforcement or administrative or judicial proceedings, including foreclosures, (c) the management and liquidation of the Mortgaged Property if the Mortgaged Property is acquired in satisfaction of the Mortgage, (d) taxes, assessments, water rates, sewer rents and other charges which are or may become a lien upon the Mortgaged Property, and Bulk PMI Policy premiums and fire and hazard insurance coverage and (e) any losses sustained by a Servicer with respect to the liquidation of the Mortgaged Property.

Servicing Agreement : Each servicing agreement, subservicing agreement or reconstituted servicing agreement identified on Exhibit E hereto, dated as of January 1, 2007, among the Seller, the Master Servicer and one of the above-named Servicers, and any other servicing agreement entered into between a successor servicer and the Seller pursuant to the terms of this Agreement.

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

Servicing Fee : As to any Distribution Date and each Mortgage Loan, an amount equal to the product of (a) one-twelfth of the Servicing Fee Rate and (b) the Scheduled Principal Balance of such Mortgage Loan as of the first day of the related Collection Period.

Servicing Fee Rate : With respect to each Mortgage Loan, the rate specified in the related Servicing Agreement.

Servicing Function Participant : Any Subservicer, Subcontractor or any other Person, other than each Servicer, each Custodian, the Master Servicer, the Paying Agent and the Trustee, that is participating in the servicing function within the meaning of Regulation AB, unless such Person's activities relate only to 5% or less of the Mortgage Loans.

Servicing Officer : Any officer of the related Servicer involved in or responsible for, the administration and servicing of the Mortgage Loans whose name appears on a list of servicing officers furnished by the related Servicer to the Master Servicer or Seller upon request, as such list may from time to time be amended.

Simple Interest Method : With respect to a Simple Interest Mortgage Loan, the method of allocating a payment to principal and interest, pursuant to which the portion of such payment that is allocated to interest is equal to the product of the applicable rate of interest multiplied by the unpaid principal balance multiplied by the period of time elapsed since the preceding payment of interest was made and divided by either 360 or 365, as specified in the related Mortgage Note and the remainder of such payment is allocated to principal.

Simple Interest Mortgage Loan : Any Mortgage Loan specified as a "DSI Loan" in the Mortgage Loan Schedule attached hereto as Schedule A. As of the Closing Date, there are no Simple Interest Mortgage Loans included in the Trust Fund.

Sponsor : Lehman Brothers Holdings Inc., or any successor in interest.

Startup Day : The day designated as such pursuant to Section 10.01(b) hereof.

Stepdown Date : The earlier of (i) the first Distribution Date following the Distribution Date on which the Class Principal Amounts of the Senior Certificates have each been reduced to zero or (ii) the later to occur of (x) the Distribution Date in February 2010 and (y) the first Distribution Date on which the Senior Enhancement Percentage (calculated for this purpose after giving effect to payments or other recoveries in respect of the Mortgage Loans during the related Collection Period but before giving effect to distributions on the Certificates on such Distribution Date) is greater than or equal to 50.00%.

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 the Mortgage Loans but performs one or more discrete functions identified in Item 1122(d) of Regulation AB with respect to the Mortgage Loans under the direction or authority of the Paying Agent, the Trustee, the Master Servicer, a Custodian, a Servicer or the Credit Risk Manager.

Subordinate Certificate : Any Class M Certificate or Class B Certificate.

Subordinate Maximum Interest Rate : For (i) the Subordinate Certificates; (ii) the Group 1 Senior Certificates, with respect to each Distribution Date after the Distribution Date on which the aggregate Class Principal Amount of the Group 2 Senior Certificates has been reduced to zero; and (iii) the Group 2 Senior Certificates, with respect to each Distribution Date after the Distribution Date on which the Class Principal Amount of the Group 1 Senior Certificates has been reduced to zero; the weighted average of the Pool 1 Maximum Interest Rate and the Pool 2 Maximum Interest Rate for such Distribution Date, weighted on the basis of (i) in the case of any Distribution Date on or before the date on which the aggregate Class Principal Amount of the Senior Certificates relating to any Mortgage Pool has been reduced to zero, the Pool Subordinate Amount and (ii) for any Distribution Date thereafter, such weighting shall be on the basis of the Pool Balance of each Mortgage Pool.

Subordinate Net Funds Cap : With respect to any Distribution Date, an amount equal to the weighted average of the Pool 1 Net Funds Cap and the Pool 2 Net Funds Cap, weighted on the basis of the Pool Subordinate Amount for each Mortgage Pool; *provided, however*, that on any Distribution Date after which the aggregate Class Principal Amount of the Senior Certificates relating to any Mortgage Pools has been reduced to zero, such weighting shall be on the basis of the Pool Balance of each Mortgage Pool.

Subordinate Priority : To the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8, Class M9, Class B1 and Class B2 Certificates, sequentially, in that order.

Subsequent Recovery : Any amount recovered by a Servicer or the Master Servicer with respect to a Liquidated Mortgage Loan with respect to which a Realized Loss was incurred after the liquidation or disposition of such Mortgage Loan.

Subservicer : Any Person that (i) is considered to be a Servicing Function Participant, (ii) services Mortgage Loans on behalf of any Servicer or Additional Servicer, and (iii) is responsible for the performance (whether directly or through subservicers or Subcontractors) of Servicing functions required to be performed under this Agreement, any related Servicing Agreement or any subservicing agreement that are identified in Item 1122(d) of Regulation AB.

Substitution Amount : The amount, if any, by which the Scheduled Principal Balance of a Deleted Mortgage Loan exceeds the Scheduled Principal Balance of the related Qualifying Substitute Mortgage Loan, or aggregate Scheduled Principal Balance, if applicable, *plus* unpaid interest thereon, any related unpaid Advances or Servicing Advances or unpaid Servicing Fees and the amount of any costs and damages incurred by the Trust Fund associated with a violation of any applicable federal, state or local predatory or abusive lending law in connection with the origination of such Deleted Mortgage Loan.

Supplemental Interest Trust : The corpus of a trust created pursuant to Section 5.07 of this Agreement and designated as the “Supplemental Interest Trust,” consisting of the Swap Agreement, the Swap Account, the Interest Rate Cap Agreement, the Interest Rate Cap Account, the right to receive the Class X Distributable Amount as provided in Section 5.02(f)(vi), the Class LT4-I interest in REMIC 4 and the right to receive Class I Shortfalls.

Swap Account : The account created pursuant to Section 5.07(a) of this Agreement.

Swap Agreement : The interest rate swap agreement dated January 30, 2007 entered into by the Trustee on behalf of the Supplemental Interest Trust and the Swap Counterparty, which agreement provides for, among other things, a Net Swap Payment to be paid pursuant to the conditions provided therein, together with any schedules, confirmations, Credit Support Annex or other agreements relating thereto, attached hereto as Exhibit O.



Swap Amount : With respect to each Distribution Date and the related Swap Payment Date, the sum of any Net Swap Payment and any Swap Termination Payment deposited into the Swap Account.

Swap Counterparty : The counterparty to the Supplemental Interest Trust under the Swap Agreement, and any successor in interest or assigns. Initially, the Swap Counterparty shall be Wachovia Bank, National Association.

Swap Counterparty Trigger Event : A Swap Counterparty Trigger Event shall have occurred if any of a Swap Default with respect to which the Swap Counterparty is a Defaulting Party, a Termination Event (other than a Termination Event of Illegality or Tax Event as such terms are defined in the Swap Agreement) with respect to which the Swap Counterparty is the sole Affected Party or an Additional Termination Event with respect to which the Swap Counterparty is the sole Affected Party has occurred.

Swap Default : Any of the circumstances constituting an “Event of Default” under the Swap Agreement.

Swap LIBOR : With respect to any Distribution Date and the related Swap Payment Date (and the Accrual Period relating to such Distribution Date), the product of (i) the Floating Rate Option (as defined in the Swap Agreement) for the related Swap Payment Date as calculated by the Swap Counterparty and furnished to the Trustee, (ii) two, and (iii) the quotient of (a) the actual number of days in the Accrual Period for the LIBOR Certificates and (b) 30.

Swap Payment Date : For so long as the Swap Agreement is in effect or any amounts remain unpaid thereunder, the Business Day immediately preceding each Distribution Date.

Swap Replacement Receipts : As defined in Section 5.09.

Swap Replacement Receipts Account : As defined in Section 5.09.

Swap Termination Payment : Upon the designation of an “Early Termination Date” as defined in the Swap Agreement, the payment required to be made by the Supplemental Interest Trust to the Swap Counterparty, or by the Swap Counterparty to the Supplemental Interest Trust, as applicable, pursuant to the terms of the Swap Agreement, and any unpaid amounts due on previous Swap Payment Dates and accrued interest thereon as provided in the Swap Agreement, as calculated by the Swap Counterparty and furnished to the Trustee.

Swap Termination Receipts : As defined in Section 5.09.

Swap Termination Receipts Account : As defined in Section 5.09.

Target Amount : With respect to any Distribution Date, an amount equal to the Aggregate Pool Balance for such Distribution Date *minus* the Targeted Overcollateralization Amount for such Distribution Date.

Targeted Overcollateralization Amount : For any Distribution Date prior to the Stepdown Date, an amount equal to \$20,589,983.62 (or approximately 1.70% of the Cut-off Date Balance). For any Distribution Date and provided a Trigger Event is not in effect, an amount equal to the greater of (i) the lesser of (a) \$20,589,983.62 (or approximately 1.70% of the Cut-off Date Balance) and (b) 3.40% of the Aggregate Pool Balance after giving effect to distributions on such Distribution Date and (ii) the Overcollateralization Floor. With respect to any Distribution Date on or after the Stepdown Date and provided a Trigger Event is in effect, an amount equal to the Targeted Overcollateralization Amount for the immediately preceding Distribution Date.

Tax Matters Person : The “tax matters person” as specified in the REMIC Provisions.

Telerate Page 3750 : The display currently so designated as “Page 3750” on the Reuters Telerate Service (or such other page selected by the Trustee as may replace Page 3750 on that service for the purpose of displaying daily comparable rates on prices).

Termination Event : As defined in the Swap Agreement.

Termination Price : As defined in Section 7.01.

Threshold Calculation : For each PMI Insurer and each Distribution Date, the percentage obtained by dividing (a) the aggregate of the maximum amount payable for each Mortgage Loan covered under the related Bulk PMI Policy as of the last day of the related Collection Period by (b) the aggregate Class Principal Amount of the Certificates as of the last day of the related Collection Period.

Title Insurance Policy : A title insurance policy maintained with respect to a Mortgage Loan.

Total Distribution Amount : With respect to any Distribution Date, the sum of (i) the aggregate of the Interest Remittance Amounts for such date; (ii) the aggregate of the Principal Remittance Amounts for such date; and (iii) all Prepayment Premiums collected during the related Prepayment Period.

Transfer Agreement : As defined in the Mortgage Loan Sale Agreement.

Transferor : Each seller of Mortgage Loans to the Seller pursuant to the Transfer Agreements.

Trigger Event : A Trigger Event shall have occurred with respect to any Distribution Date if either a Delinquency Event or a Cumulative Loss Trigger Event is in effect for such Distribution Date.

Trust Fund : The corpus of the Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 created pursuant to this Agreement, consisting of the Mortgage Loans, the assignment of the Depositor’s rights under the Transfer Agreement, the Mortgage Loan Sale Agreement and each Servicing Agreement, such amounts as shall from time to time be held in the Collection Account, the Certificate Account, any Custodial Account and any Escrow Account, the Basis Risk Reserve Fund, the Insurance Policies, any REO Property and the other items referred to in, and conveyed to the Trustee under, Section 2.01(a).

Trust Fund Termination Event : As defined in Section 7.01(a).

Trustee : Wells Fargo Bank, N.A., not in its individual capacity but solely as Trustee, or any successor in interest, or if any successor trustee shall be appointed as herein provided, then such successor in interest or successor trustee, as the case may be.

Trustee Fee : As to any Distribution Date, any investment earnings from amounts on deposit in the Certificate Account.

UCC or Uniform Commercial Code : The Uniform Commercial Code as in effect in any applicable jurisdiction from time to time.

Underwriter : Lehman Brothers Inc.

Underwriter's Exemption : Prohibited Transaction Exemption 2002-41, 67 Fed. Reg. 54487 (2002), as amended (or any successor thereto), or any substantially similar administrative exemption granted by the U.S. Department of Labor.

Unpaid Basis Risk Shortfall : With respect to any Distribution Date and any LIBOR Certificate, the aggregate of all Basis Risk Shortfalls with respect to such Certificate remaining unpaid from previous Distribution Dates, plus interest accrued thereon for the related Accrual Period at the applicable Certificate Interest Rate (calculated without giving effect to the applicable Net Funds Cap) but limited to a rate no greater than the applicable Maximum Interest Rate.

Upper Tier REMIC : REMIC 4.

Voting Interests : The portion of the voting rights of all the Certificates that is allocated to any Certificate for purposes of the voting provisions of this Agreement. At all times during the term of this Agreement, 97.00% of all Voting Interests shall be allocated to the LIBOR Certificates. Voting Interests shall be allocated among the Classes of LIBOR Certificates based on the product of (i) 97.00% and (ii) the fraction, expressed as a percentage, the numerator of which is the aggregate Class Principal Amount of all Certificates of that Class then outstanding and the denominator of which is the aggregate Class Principal Amount of all Certificates then outstanding. At all times during the term of this Agreement, 1% of all Voting Interests shall be allocated to each of the Class P, Class R and Class X Certificates while they remain outstanding. Voting Interests shall be allocated among the other Classes of Certificates (and among the Certificates within each such Class) in proportion to their Class Principal Amounts (or Certificate Principal Amounts) or Percentage Interests. In the case of the purchase by the Master Servicer of the Lower Tier REMIC 1 Uncertificated Regular Interests pursuant to a Section 7.01(c) Purchase Event, the LTURI-holder shall be allocated 100% of the Voting Interests and upon such purchase any provision in this Agreement which requires a vote by, a direction or notice given by, an action taken by, a request in writing by or the consent of, any percentage of the Holders of the Certificates or any Class of Certificates may be exercised by the LTURI-holder.

Wells Fargo : Wells Fargo Bank, N.A.

Section 1.02. Calculations Respecting Mortgage Loans.

Calculations required to be made pursuant to this Agreement with respect to any Mortgage Loan in the Trust Fund shall be made based upon current information as to the terms of the Mortgage Loans and reports of payments received from the Mortgagor on such Mortgage Loans and payments to be made to the Trustee as supplied to the Trustee by the Master Servicer or the Swap Counterparty. The Trustee shall not be required to recompute, verify or recalculate the information supplied to it by the Master Servicer, any Servicer, the Swap Counterparty or the Credit Risk Manager.

Section 1.03. Calculations Respecting Accrued Interest.

Accrued interest, if any, on any LIBOR Certificate shall be calculated based upon a 360-day year and the actual number of days in each Accrual Period. Accrued interest on the Class X Certificate and any Class of Lower Tier Interest shall be calculated based upon a 360-day year consisting of twelve 30-day months.

ARTICLE II

DECLARATION OF TRUST;  
ISSUANCE OF CERTIFICATES

Section 2.01. Creation and Declaration of Trust Fund; Conveyance of Mortgage Loans.

(a) Concurrently with the execution and delivery of this Agreement, the Depositor does hereby transfer, assign, set over, deposit with and otherwise convey to the Trustee, without recourse, subject to Sections 2.02, 2.04, 2.05 and 2.06, in trust, all the right, title and interest of the Depositor in and to the Mortgage Loans. Such conveyance includes, without limitation, the right to all payments of principal and interest received on or with respect to the Mortgage Loans on and after the Cut-off Date (other than payments of principal and interest due on or before such date), and all such payments due after such date but received prior to such date and intended by the related Mortgagors to be applied after such date together with all of the Depositor's right, title and interest in and to the Collection Account and all amounts from time to time credited to and the proceeds of the Collection Account, the Certificate Account and all amounts from time to time credited to and the proceeds of the Certificate Account (exclusive of investment earnings thereon), any Custodial Accounts and all amounts from time to time credited to and the proceeds of the Custodial Accounts, any Escrow Account established pursuant to Section 9.06 and any Basis Risk Reserve Fund established pursuant to Section 5.06 and all amounts from time to time credited to and the proceeds of each such account, any REO Property and the proceeds thereof, the Depositor's rights under any Insurance Policies related to the Mortgage Loans, the Depositor's security interest in any collateral pledged to secure the Mortgage Loans, including the Mortgaged Properties and any Additional Collateral, and any proceeds of the foregoing, to have and to hold, in trust; and the Trustee declares that, subject to the review provided for in Section 2.02, it has received and shall hold the Trust Fund, as trustee, in trust, for the benefit and use of the Holders of the Certificates and for the purposes and subject to the terms and conditions set forth in this Agreement, and, concurrently with such receipt, has caused to be executed, authenticated and delivered to or upon the order of the Depositor, in exchange for the Trust Fund, Certificates in the authorized denominations evidencing the entire ownership of the Trust Fund.

Concurrently with the execution of this Agreement, the MGIC Letter Agreement and the PMI Letter Agreement shall be delivered to the Trustee on behalf of the Trust Fund. In connection therewith, the Depositor hereby directs the Trustee (solely in its capacity as such) and the Trustee is hereby authorized to execute and deliver the MGIC Letter Agreement and the PMI Letter Agreement for the benefit of the Certificateholders. The Seller, the Master Servicer, the Depositor, the Servicers and the Certificateholders (by their acceptance of such Certificates) acknowledge and agree that the Trustee is executing and delivering the MGIC Letter Agreement and the PMI Letter Agreement solely in its capacity as Trustee of the Trust Fund, and not in its individual capacity.

Concurrently with the execution of this Agreement, the Swap Agreement and the Interest Rate Cap Agreement shall be delivered to the Trustee. In connection therewith, the Depositor hereby directs the Trustee (solely in its capacity as such) and the Trustee is hereby authorized to execute and deliver the Swap Agreement and the Interest Rate Cap Agreement (each on behalf of the Supplemental Interest Trust) for the benefit of, the Certificateholders. The Seller, the Master Servicer, the Depositor, the Servicers and the Certificateholders (by their acceptance of such Certificates) acknowledge and agree that the Trustee is executing and delivering the Swap Agreement and the Interest Rate Cap Agreement solely in its capacity as Trustee of the Supplemental Interest Trust and the Trust Fund and not in its individual capacity. The Trustee shall have no duty or responsibility to enter into any other swap agreement or interest rate cap agreement upon the expiration or termination of the Swap Agreement or the Interest Rate Cap Agreement.

Concurrently with the execution and delivery of this Agreement, the Depositor does hereby assign to the Trustee all of its rights and interest under the Mortgage Loan Sale Agreement, including all rights of the Seller under each Servicing Agreement and each Transfer Agreement (including the rights to enforce the related Transferor's obligation to repurchase First Payment Default Mortgage Loans pursuant to the related PPTLs), but only to the extent assigned under the Mortgage Loan Sale Agreement. The Trustee hereby accepts such assignment, and shall be entitled to exercise all the rights of the Depositor under the Mortgage Loan Sale Agreement as if, for such purpose, it were the Depositor.

It is agreed and understood by the Depositor and the Trustee (and the Seller has so represented and recognized in the Mortgage Loan Sale Agreement) that it is not intended that any Mortgage Loan to be included in the Trust Fund be (i) a "High-Cost Home Loan" as defined in the New Jersey Home Ownership Act effective November 27, 2003, (ii) a "High-Cost Home Loan" as defined in the New Mexico Home Loan Protection Act effective January 1, 2004, (iii) a "High-Cost Home Mortgage Loan" as defined in the Massachusetts Predatory Home Loan Practices Act effective November 7, 2004 or (iv) a "High Cost Home Loan" as defined in the Indiana Home Loan Practices Act effective January 1, 2005.

The foregoing sale, transfer, assignment, set-over, deposit and conveyance does not and is not intended to result in the creation or assumption by the Trustee of any obligation of the Depositor, the Seller or any other Person in connection with the Mortgage Loans.

The Depositor shall have the right to receive any and all loan-level information regarding the characteristics and performance of the Mortgage Loans upon request, and to publish, disseminate or otherwise utilize such information in its discretion, subject to applicable laws and regulations.

(b) In connection with such transfer and assignment, the Depositor does hereby deliver to, and deposit with, or cause to be delivered to and deposited with, the Trustee, and/or the applicable Custodian acting on the Trustee's behalf, the following documents or instruments with respect to each Mortgage Loan (each a "Mortgage File") so transferred and assigned:

(i) with respect to each Mortgage Loan, the original Mortgage Note endorsed without recourse in proper form to the order of the Trustee, or in blank (in each case, with all necessary intervening endorsements, as applicable) or with respect to any lost Mortgage Note, a lost note affidavit stating that the original Mortgage Note was lost, misplaced or destroyed, together with a copy of the related Mortgage Note;

(ii) the original of any guarantee executed in connection with the Mortgage Note, assigned to the Trustee;

(iii) with respect to any Mortgage Loan other than a Cooperative Loan, the original recorded Mortgage with evidence of recording indicated thereon and the original recorded power of attorney, with evidence of recording thereon. If, in connection with any Mortgage Loan, the Depositor cannot deliver the Mortgage or power of attorney with evidence of recording thereon on or prior to the Closing Date because of a delay caused by the public recording office where such Mortgage has been delivered for recordation or because such Mortgage or power of attorney has been lost, the Depositor shall deliver or cause to be delivered to the Trustee (or the applicable Custodian), in the case of a delay due to recording, a true copy of such Mortgage or power of attorney, pending delivery of the original thereof, together with an Officer's Certificate of the Depositor certifying that the copy of such Mortgage or power of attorney delivered to the Trustee (or the applicable Custodian) is a true copy and that the original of such Mortgage or power of attorney has been forwarded to the public recording office, or, in the case of a Mortgage or power of attorney that has been lost, a copy thereof (certified as provided for under the laws of the appropriate jurisdiction) and a written Opinion of Counsel acceptable to the Trustee and the Depositor that an original recorded Mortgage or power of attorney is not required to enforce the Trustee's interest in the Mortgage Loan;

(iv) the original of each assumption, modification or substitution agreement, if any, relating to the Mortgage Loans, or, as to any assumption, modification or substitution agreement which cannot be delivered on or prior to the Closing Date because of a delay caused by the public recording office where such assumption, modification or substitution agreement has been delivered for recordation, a photocopy of such assumption, modification or substitution agreement, pending delivery of the original thereof, together with an Officer's Certificate of the Depositor certifying that the copy of such assumption, modification or substitution agreement delivered to the Trustee (or the applicable Custodian) is a true copy and that the original of such agreement has been forwarded to the public recording office;

(v) with respect to each Non-MERS Mortgage Loan other than a Cooperative Loan, an original Assignment of Mortgage, in form and substance acceptable for recording. The Mortgage shall be assigned either (A) in blank, without recourse or (B) to “Wells Fargo Bank, N.A., as Trustee of the Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1,” without recourse;

(vi) if applicable, such original intervening assignments of the Mortgage, notice of transfer or equivalent instrument (each, an “Intervening Assignment”), as may be necessary to show a complete chain of assignment from the Transferor, or, in the case of an Intervening Assignment that has been lost, a written Opinion of Counsel acceptable to the Trustee and any NIMS Insurer that such original Intervening Assignment is not required to enforce the Trustee’s interest in the Mortgage Loan;

(vii) with respect to any Mortgage Loan other than a Cooperative Loan, the original mortgagee title insurance policy (or, in lieu thereof, a commitment to issue such title insurance policy with an original or certified copy of such title insurance policy to follow as soon after the Closing Date as reasonably practicable) or attorney’s opinion of title and abstract of title;

(viii) if applicable, the original Primary Mortgage Insurance Policy or certificate or, an electronic certification evidencing the existence of the Primary Mortgage Insurance Policy or certificate, if private mortgage guaranty insurance is required;

(ix) the original of any security agreement, chattel mortgage or equivalent instrument executed in connection with the Mortgage or as to any security agreement, chattel mortgage or their equivalent instrument that cannot be delivered on or prior to the Closing Date because of a delay caused by the public recording office where such document has been delivered for recordation, a photocopy of such document, pending delivery of the original thereof, together with an Officer’s Certificate of the Depositor certifying that the copy of such security agreement, chattel mortgage or their equivalent instrument delivered to the Trustee (or the applicable Custodian) is a true copy and that the original of such document has been forwarded to the public recording office;

(x) with respect to any Cooperative Loan, the Cooperative Loan Documents; and

(xi) with respect to any manufactured housing contract, any related manufactured housing sales contract, installment loan agreement or participation interest.

The parties hereto acknowledge and agree that the form of endorsement attached hereto as Exhibit B-4 is intended to effect the transfer to the Trustee, for the benefit of the Certificateholders, of the Mortgage Notes and the Mortgages.

(c) i) Assignments of Mortgage with respect to each Non-MERS Mortgage Loan other than a Cooperative Loan shall be recorded; *provided, however*, that such Assignments need not be recorded if, on or prior to the Closing Date, the Depositor delivers, at its own expense, an Opinion of Counsel addressed to the Trustee (which must be Independent counsel) acceptable to the Trustee and the Rating Agencies, to the effect that recording in such states is not required to protect the Trustee's interest in the related Non-MERS Mortgage Loans; *provided, further*, that notwithstanding the delivery of any Opinion of Counsel, the Master Servicer shall direct the applicable Servicer to submit each Assignment of Mortgage for recording upon the occurrence of a bankruptcy, insolvency or foreclosure relating to the Mortgagor under the related Mortgage. Subject to the preceding sentence, as soon as practicable after the Closing Date (but in no event more than three months thereafter except to the extent delays are caused by the applicable recording office), the Master Servicer, at the expense of the Depositor and with the cooperation of the applicable Servicer, shall direct to be properly recorded by each Servicer in each public recording office where the related Mortgages are recorded each Assignment of Mortgage referred to in subsection (b)(v) above with respect to each Non-MERS Mortgage Loan.

(ii) With respect to each MERS Mortgage Loan, the Master Servicer shall direct the applicable Servicer, at the expense of the Depositor, to take such actions as are necessary to cause the Trustee to be clearly identified as the owner of each such Mortgage Loan on the records of MERS for purposes of the system of recording transfers of beneficial ownership of mortgages maintained by MERS. With respect to each Cooperative Loan, the Master Servicer, at the expense of the Depositor and with the cooperation of the applicable Servicer, shall direct such Servicer to take such actions as are necessary under applicable law in order to perfect the interest of the Trustee in the related Mortgaged Property.

(d) In instances where a Title Insurance Policy is required to be delivered to the Trustee or the applicable Custodian on behalf of the Trustee under clause (b)(vii) above and is not so delivered, the Depositor will provide a copy of such Title Insurance Policy to the Trustee, or to the applicable Custodian on behalf of the Trustee, as promptly as practicable after the execution and delivery hereof, but in any case within 180 days of the Closing Date.

(e) For Mortgage Loans (if any) that have been prepaid in full after the Cut-off Date and prior to the Closing Date, the Depositor, in lieu of delivering the above documents, herewith delivers to any NIMS Insurer and the Trustee, or to the applicable Custodian on behalf of the Trustee, an Officer's Certificate which shall include a statement to the effect that all amounts received in connection with such prepayment that are required to be deposited in the Collection Account pursuant to Section 4.01 have been so deposited. All original documents that are not delivered to the Trustee or the applicable Custodian on behalf of the Trustee shall be held by the Master Servicer or the applicable Servicer in trust for the benefit of the Trustee and the Certificateholders.

(f) The issuing entity is hereby named Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1.



Section 2.02. Acceptance of Trust Fund by Trustee: Review of Documentation for Trust Fund.

(a) The Trustee, by execution and delivery hereof, acknowledges receipt by it or by the applicable Custodian on its behalf of the Mortgage Files pertaining to the Mortgage Loans listed on the Mortgage Loan Schedule, subject to review thereof by the Trustee, or by the applicable Custodian on behalf of the Trustee, under this Section 2.02. The Trustee, or the applicable Custodian on behalf of the Trustee, will execute and deliver to the Depositor, the Master Servicer, the Trustee and any NIMS Insurer on the Closing Date an Initial Certification in the form annexed hereto as Exhibit B-1 (or in the form annexed to the Custodial Agreements as Exhibit B-1, as applicable).

(b) Within 45 days after the Closing Date, the Trustee or the Custodians on behalf of the Trustee, will, for the benefit of Holders of the Certificates, review each Mortgage File to ascertain that all required documents set forth in Section 2.01 have been received and appear on their face to contain the requisite signatures by or on behalf of the respective parties thereto, and shall deliver to the Trustee, the Depositor, the Master Servicer and any NIMS Insurer an Interim Certification in the form annexed hereto as Exhibit B-2 (or in the form annexed to the Custodial Agreement as Exhibit B-2, as applicable) to the effect that, as to each Mortgage Loan listed in the Mortgage Loan Schedule (other than any Mortgage Loan prepaid in full or any Mortgage Loan specifically identified in such certification as not covered by such certification), (i) all of the applicable documents specified in Section 2.01(b) are in its possession and (ii) such documents have been reviewed by it and appear to relate to such Mortgage Loan. The Trustee, or the Custodians on behalf of the Trustee, shall determine whether such documents are executed and endorsed, but shall be under no duty or obligation to inspect, review or examine any such documents, instruments, certificates or other papers to determine that the same are valid, binding, legally effective, properly endorsed, genuine, enforceable or appropriate for the represented purpose or that they have actually been recorded or are in recordable form or that they are other than what they purport to be on their face. Neither the Trustee nor the Custodians shall have any responsibility for verifying the genuineness or the legal effectiveness of or authority for any signatures of or on behalf of any party or endorser.

(c) If in the course of the review described in paragraph (b) above the Trustee or the applicable Custodian discovers any document or documents constituting a part of a Mortgage File that is missing, does not appear regular on its face (*i.e.*, is mutilated, damaged, defaced, torn or otherwise physically altered) or appears to be unrelated to the Mortgage Loans identified in the Mortgage Loan Schedule (each, a "Material Defect"), the Trustee, or the applicable Custodian on behalf of the Trustee, discovering such Material Defect shall promptly identify the Mortgage Loan to which such Material Defect relates in the Interim Certification delivered to the Depositor and the Master Servicer. Within 90 days of its receipt of such notice, the Transferor, or, if the Transferor does not do so, the Depositor shall be required to cure such Material Defect (and, in such event, the Depositor shall provide the Trustee with an Officer's Certificate confirming that such cure has been effected). If the Transferor or the Depositor, as applicable, does not so cure such Material Defect, the Transferor, or, if the Transferor does not do so, the Depositor, shall, if a loss has been incurred with respect to such Mortgage Loan that would, if such Mortgage Loan were not purchased from the Trust Fund, constitute a Realized Loss, and such loss is attributable to the failure of the Depositor to cure such Material Defect, repurchase the related Mortgage Loan from the Trust Fund at the Purchase Price. A loss shall be deemed to be attributable to the failure of the Depositor to cure a Material Defect if, as determined by the Depositor, upon mutual agreement with the Trustee each acting in good faith, absent such Material Defect, such loss would not have been incurred. Within the two-year period following the Closing Date, the Depositor may, in lieu of repurchasing a Mortgage Loan pursuant to this Section 2.02, substitute for such Mortgage Loan a Qualifying Substitute Mortgage Loan subject to the provisions of Section 2.05. The failure of the Trustee or the applicable Custodian to give the notice contemplated herein within 45 days after the Closing Date shall not affect or relieve the Depositor of its obligation to repurchase any Mortgage Loan pursuant to this Section 2.02 or any other Section of this Agreement requiring the repurchase of Mortgage Loans from the Trust Fund.

(d) Within 180 days following the Closing Date, the Trustee, or the Custodians, shall deliver to the Trustee, the Depositor, the Master Servicer and any NIMS Insurer a Final Certification substantially in the form attached as Exhibit B-3 (or in the form annexed to the Custodial Agreements as Exhibit B-3, as applicable) evidencing the completeness of the Mortgage Files in its possession or control, with any exceptions noted thereto.

(e) Nothing in this Agreement shall be construed to constitute an assumption by the Trust Fund, the Trustee, any Custodian or the Certificateholders of any unsatisfied duty, claim or other liability on any Mortgage Loan or to any Mortgagor.

(f) Each of the parties hereto acknowledges that the Custodians shall perform the applicable review of the Mortgage Loans and respective certifications thereof as provided in this Section 2.02 and the Custodial Agreements. The Trustee, solely in its capacity as Trustee hereunder, is hereby authorized and directed by the Depositor to appoint the Custodians and to execute and deliver the Custodial Agreements.

(g) Upon execution of this Agreement, the Depositor hereby delivers to the Trustee and the Trustee acknowledges a receipt of the Mortgage Loan Sale Agreement, each Servicing Agreement and the Bulk PMI Policies. The Depositor hereby directs the Trustee, solely in its capacity as Trustee hereunder, to execute and deliver, concurrently with the execution and delivery of this Agreement, the Bulk PMI Policies and each Servicing Agreement to which the Trustee is a party.

Section 2.03. Representations and Warranties of the Depositor.

(a) The Depositor hereby represents and warrants to the Trustee, for the benefit of Certificateholders, the Master Servicer and any NIMS Insurer as of the Closing Date or such other date as is specified, that:

(i) the Depositor is a corporation duly organized, validly existing and in good standing under the laws governing its creation and existence and has full corporate power and authority to own its property, to carry on its business as presently conducted, to enter into and perform its obligations under this Agreement, and to create the trust pursuant hereto;

(ii) the execution and delivery by the Depositor of this Agreement have been duly authorized by all necessary corporate action on the part of the Depositor; neither the execution and delivery of this Agreement, nor the consummation of the transactions herein contemplated, nor compliance with the provisions hereof, will conflict with or result in a breach of, or constitute a default under, any of the provisions of any law, governmental rule, regulation, judgment, decree or order binding on the Depositor or its properties or the certificate of incorporation or bylaws of the Depositor;

(iii) the execution, delivery and performance by the Depositor of this Agreement and the consummation of the transactions contemplated hereby do not require the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any state, federal or other governmental authority or agency, except such as has been obtained, given, effected or taken prior to the date hereof;

(iv) this Agreement has been duly executed and delivered by the Depositor and, assuming due authorization, execution and delivery by the Trustee, the Master Servicer and the Credit Risk Manager, constitutes a valid and binding obligation of the Depositor enforceable against it in accordance with its terms except as such enforceability may be subject to (A) applicable bankruptcy and insolvency laws and other similar laws affecting the enforcement of the rights of creditors generally and (B) general principles of equity regardless of whether such enforcement is considered in a proceeding in equity or at law;

(v) there are no actions, suits or proceedings pending or, to the knowledge of the Depositor, threatened or likely to be asserted against or affecting the Depositor, before or by any court, administrative agency, arbitrator or governmental body (A) with respect to any of the transactions contemplated by this Agreement or (B) with respect to any other matter which in the judgment of the Depositor will be determined adversely to the Depositor and will if determined adversely to the Depositor materially and adversely affect it or its business, assets, operations or condition, financial or otherwise, or adversely affect its ability to perform its obligations under this Agreement; and

(vi) immediately prior to the transfer and assignment of the Mortgage Loans to the Trustee, the Depositor was the sole owner of record and holder of each Mortgage Loan, and the Depositor had good and marketable title thereto, and had full right to transfer and sell each Mortgage Loan to the Trustee free and clear, subject only to (1) liens of current real property taxes and assessments not yet due and payable and, if the related Mortgaged Property is a condominium unit, any lien for common charges permitted by statute, (2) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such Mortgage acceptable to mortgage lending institutions in the area in which the related Mortgaged Property is located and specifically referred to in the lender's Title Insurance Policy or attorney's opinion of title and abstract of title delivered to the originator of such Mortgage Loan, and (3) such other matters to which like properties are commonly subject which do not, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by the Mortgage, of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest, and had full right and authority, subject to no interest or participation of, or agreement with, any other party, to sell and assign each Mortgage Loan pursuant to this Agreement.

(b) The representations and warranties of each Transferor with respect to the related Mortgage Loans in the applicable Transfer Agreement, which have been assigned to the Trustee hereunder, were made as of the date specified in the applicable Transfer Agreement (or underlying agreement, if such Transfer Agreement is in the form of an assignment of a prior agreement). To the extent that any fact, condition or event with respect to a Mortgage Loan constitutes a breach of both (i) a representation or warranty of the applicable Transferor under the applicable Transfer Agreement and (ii) a representation or warranty of the Seller under the Mortgage Loan Sale Agreement, the only right or remedy of the Trustee, any Certificateholder or any NIMS Insurer hereunder shall be their rights to enforce the obligations of the applicable Transferor under any applicable representation or warranty made by it. The Trustee acknowledges that, except as otherwise provided in the Mortgage Loan Sale Agreement, the Seller shall not have any obligation or liability with respect to any breach of a representation or warranty made by it with respect to the Mortgage Loans sold by it if the fact, condition or event constituting such breach also constitutes a breach of a representation or warranty made by the applicable Transferor in the applicable Transfer Agreement, without regard to whether such Transferor fulfills its contractual obligations in respect of such representation or warranty. The Trustee further acknowledges that the Depositor shall have no obligation or liability with respect to any breach of any representation or warranty with respect to the Mortgage Loans (except as set forth in Section 2.03(a)(vi)) under any circumstances.

Section 2.04. Discovery of Breach.

It is understood and agreed that the representations and warranties (i) of the Depositor set forth in Section 2.03, (ii) of the Seller set forth in the Mortgage Loan Sale Agreement and assigned to the Depositor by the Seller under the Mortgage Loan Sale Agreement and to the Trustee by the Depositor hereunder and (iii) of each Transferor and of each Servicer assigned by the Seller to the Depositor pursuant to the Mortgage Loan Sale Agreement and assigned to the Trustee by the Depositor hereunder, shall each survive delivery of the Mortgage Files and the Assignment of Mortgage of each Mortgage Loan to the Trustee and shall continue throughout the term of this Agreement. Upon discovery by any of the Depositor, the Master Servicer or the Trustee of a breach of any of such representations and warranties that adversely and materially affects the value of the related Mortgage Loan, the party discovering such breach shall give prompt written notice to the other parties; provided, to the extent that knowledge of such breach with respect to any Mortgage Loan is known by any officer, director, employee or agent of Aurora acting in any capacity other than as Master Servicer hereunder, the Master Servicer shall not be deemed to have knowledge of any such breach until an officer of the Master Servicer has actual knowledge thereof. Within 90 days of the discovery of a breach of any representation or warranty given to the Trustee by the Depositor or given by any Transferor or the Seller and assigned to the Trustee, the Depositor, such Transferor or the Seller, as applicable, shall either (a) cure such breach in all material respects, (b) repurchase such Mortgage Loan or any property acquired in respect thereof from the Trustee at the Purchase Price (or in the case of a First Payment Default Mortgage Loan or a Delinquency Default Mortgage Loan the PPTL Purchase Price (excluding any PPTL Premium) or the FPD Purchase Price (excluding any FPD Premium)) or (c) within the two-year period following the Closing Date, substitute a Qualifying Substitute Mortgage Loan for the affected Mortgage Loan. Upon discovery by any of the Depositor, the Master Servicer or the Trustee of a breach of any representation and warranty of the Transferor assigned to the Trustee, the party discovering such breach shall give prompt written notice to the other parties and the Trustee shall enforce its rights under the Transfer Agreement and the Mortgage Loan Sale Agreement for the benefit of Certificateholders and any NIMS Insurer. As provided in the Mortgage Loan Sale Agreement, if the Transferor substitutes a mortgage loan for a Deleted Mortgage Loan pursuant to the Transfer Agreement and such substitute mortgage loan is not a Qualifying Substitute Mortgage Loan, then pursuant to the terms of the Mortgage Loan Sale Agreement the Seller will, in exchange for such substitute mortgage loan, (i) pay to the Trust Fund the applicable Purchase Price for the affected Mortgage Loan or (ii) within two years of the Closing Date, substitute a Qualifying Substitute Mortgage Loan.

Section 2.05. Repurchase, Purchase or Substitution of Mortgage Loans.

(a) With respect to any Mortgage Loan repurchased by the Depositor pursuant to this Agreement or by the Seller pursuant to the Mortgage Loan Sale Agreement or by the Transferor pursuant to the applicable Transfer Agreement, the principal portion of the funds (including the FPD Purchase Price (excluding any FPD Premium) or PPTL Purchase Price (excluding any PPTL Premium) in the case of any First Payment Default Mortgage Loan or Delinquency Default Mortgage Loan) received by the Trustee in respect of such repurchase of a Mortgage Loan will be considered a Principal Prepayment and the Purchase Price, FPD Purchase Price (excluding any FPD Premium) or PPTL Purchase Price (excluding any PPTL Premium), as applicable, shall be deposited in the Certificate Account. The Trustee (i) upon receipt of the full amount of the Purchase Price for a Deleted Mortgage Loan, (ii) upon receipt of a written certification from the Master Servicer that it has received the full amount of the Purchase Price for a Deleted Mortgage Loan and has deposited such amount in the Collection Account or (iii) upon receipt of notification from the applicable Custodian that it had received the Mortgage File for a Qualifying Substitute Mortgage Loan substituted for a Deleted Mortgage Loan (and any applicable Substitution Amount), shall release or cause to be released and reassign to the Depositor or the Seller, as applicable, the related Mortgage File for the Deleted Mortgage Loan and shall execute and deliver such instruments of transfer or assignment, in each case without recourse, representation or warranty, as shall be necessary to vest in such party or its designee or assignee title to any Deleted Mortgage Loan released pursuant hereto, free and clear of all security interests, liens and other encumbrances created by this Agreement, which instruments shall be prepared by the related Servicer and the Trustee shall have no further responsibility with respect to the Mortgage File relating to such Deleted Mortgage Loan. The Seller indemnifies and holds the Trust Fund, the Master Servicer, the Trustee, the Depositor, and NIMS Insurer and each Certificateholder harmless against any and all taxes, claims, losses, penalties, fines, forfeitures, reasonable legal fees and related costs, judgments, and any other costs, fees and expenses that the Trust Fund, the Trustee, the Master Servicer, the Depositor, any NIMS Insurer and any Certificateholder may sustain in connection with any actions of such Seller relating to a repurchase of a Mortgage Loan other than in compliance with the terms of this Section 2.05 and the Mortgage Loan Sale Agreement, to the extent that any such action causes an Adverse REMIC Event.

(b) With respect to each Qualifying Substitute Mortgage Loan to be delivered to the Trustee (or the applicable Custodian) pursuant to the terms of this Article II in exchange for a Deleted Mortgage Loan: (i) the Depositor, the Transferor or the Seller, as applicable, must deliver to the Trustee (or the applicable Custodian) the Mortgage File for the Qualifying Substitute Mortgage Loan containing the documents set forth in Section 2.01(b) along with a written certification certifying as to the delivery of such Mortgage File and containing granting language substantially comparable to that set forth in the first paragraph of Section 2.01(a); and (ii) the Depositor will be deemed to have made, with respect to such Qualifying Substitute Mortgage Loan, each of the representations and warranties made by it with respect to the related Deleted Mortgage Loan. As soon as practicable after the delivery of any Qualifying Substitute Mortgage Loan hereunder, the Master Servicer, at the expense of the Depositor and at the direction and with the cooperation of the applicable Servicer, shall (i) with respect to a Qualifying Substitute Mortgage Loan that is a Non-MERS Mortgage Loan, cause the Assignment of Mortgage to be recorded by the applicable Servicer if required pursuant to Section 2.01(c), or (ii) with respect to a Qualifying Substitute Mortgage Loan that is a MERS Mortgage Loan, cause to be taken such actions as are necessary to cause the Trustee to be clearly identified as the owner of each such Mortgage Loan on the records of MERS if required pursuant to Section 2.01(c).

(c) Notwithstanding any other provision of this Agreement, the right to substitute Mortgage Loans pursuant to this Article II shall be subject to the additional limitations that no substitution of a Qualifying Substitute Mortgage Loan for a Deleted Mortgage Loan shall be made unless the Trustee and any NIMS Insurer has received an Opinion of Counsel addressed to the Trustee (at the expense of the party seeking to make the substitution) that, under current law, such substitution will not cause an Adverse REMIC Event.

Section 2.06. Grant Clause.

(a) It is intended that the conveyance of the Depositor's right, title and interest in and to property constituting the Trust Fund pursuant to this Agreement shall constitute, and shall be construed as, a sale of such property and not a grant of a security interest to secure a loan. However, if such conveyance is deemed to be in respect of a loan, it is intended that: (1) the rights and obligations of the parties shall be established pursuant to the terms of this Agreement; (2) the Depositor hereby grants to the Trustee for the benefit of the Holders of the Certificates a first priority security interest to secure repayment of an obligation in an amount equal to the aggregate Class Principal Amount of the Certificates (or the aggregate principal balance of the Lower Tier REMIC 1 Uncertificated Regular Interests, if applicable) in all of the Depositor's right, title and interest in, to and under, whether now owned or hereafter acquired, the Trust Fund, the Supplemental Interest Trust and all proceeds of any and all property constituting the Trust Fund and the Supplemental Interest Trust to secure payment of the Certificates or Lower Tier REMIC 1 Uncertificated Regular Interests, as applicable (such security interest being, to the extent of the assets that constitute the Supplemental Interest Trust, *pari passu* with the security interest as provided in clause (4) below); (3) this Agreement shall constitute a security agreement under applicable law; and (4) the Swap Counterparty shall be deemed, during the term of such agreement and while such agreement is the property of the Trustee, to have a security interest in all of the assets that constitute the Supplemental Interest Trust, but only to the extent of such Swap Counterparty's right to payment under the Swap Agreement (such security interest being *pari passu* with the security interest as provided in clause (2) above). If such conveyance is deemed to be in respect of a loan and the trust created by this Agreement terminates prior to the satisfaction of the claims of any Person holding any Certificate or Lower Tier REMIC 1 Uncertificated Regular Interests, as applicable, the security interest created hereby shall continue in full force and effect and the Trustee shall be deemed to be the collateral agent for the benefit of such Person, and all proceeds shall be distributed as herein provided.

(b) The Depositor shall, to the extent consistent with this Agreement, take such reasonable actions as may be necessary to ensure that, if this Agreement were deemed to create a security interest in the Mortgage Loans and the other property described above, such security interest would be deemed to be a perfected security interest of first priority under applicable law and shall be maintained as such throughout the term of this Agreement. The Depositor shall, at its own expense, make all initial filings on or about the Closing Date and shall forward a copy of such filing or filings to the Trustee. Without limiting the generality of the foregoing, the Depositor shall prepare and forward for filing, or shall cause to be forwarded for filing, at the expense of the Depositor, all filings necessary to maintain the effectiveness of any original filings necessary under the relevant UCC to perfect the Trustee's security interest in or lien on the Mortgage Loans, including without limitation (x) continuation statements, and (y) such other statements as may be occasioned by (1) any change of name of the Seller, the Depositor or the Trustee, (2) any change of location of the jurisdiction of organization of the Seller or the Depositor, (3) any transfer of any interest of the Seller or the Depositor in any Mortgage Loan or (4) any change under the relevant UCC or other applicable laws. Neither the Seller nor the Depositor shall organize under the law of any jurisdiction other than the State under which each is organized as of the Closing Date (whether changing its jurisdiction of organization or organizing under an additional jurisdiction) without giving 30 days prior written notice of such action to its immediate and intermediate transferee, including the Trustee. Before effecting such change, the Seller or the Depositor proposing to change its jurisdiction of organization shall prepare and file in the appropriate filing office any financing statements or other statements necessary to continue the perfection of the interests of its immediate and intermediate transferees, including the Trustee, in the Mortgage Loans. In connection with the transactions contemplated by this Agreement, each of the Seller and the Depositor authorizes its immediate or intermediate transferee to file in any filing office any initial financing statements, any amendments to financing statements, any continuation statements, or any other statements or filings described in this paragraph (b).

### ARTICLE III

#### THE CERTIFICATES

Section 3.01. The Certificates.

(a) The Certificates shall be issuable in registered form only and shall be securities governed by Article 8 of the New York Uniform Commercial Code. The Book-Entry Certificates will be evidenced by one or more certificates, beneficial ownership of which will be held in the dollar denominations in Certificate Principal Amount, or in the Percentage Interests, specified herein. Each Class of Book-Entry Certificates will be issued in the minimum denominations in Certificate Principal Amount specified in the Preliminary Statement hereto and in integral multiples of \$1 in excess thereof. The Class P and Class X Certificates shall each be maintained in definitive, fully registered form in the minimum denomination specified in the Preliminary Statement hereto and in integral multiples of 1% in excess thereof. Each of the Class R and Class LT-R Certificate shall be issued as a single Certificate and maintained in definitive, fully registered form in a minimum denomination equal to 100% of the Percentage Interest of such Class. The Certificates may be issued in the form of typewritten certificates.

(b) The Certificates shall be executed by manual or facsimile signature on behalf of the Trustee by an authorized officer. Each Certificate shall, on original issue, be authenticated by the Trustee upon the order of the Depositor upon receipt by the Trustee (or the applicable Custodian) of the Mortgage Files described in Section 2.01. No Certificate shall be entitled to any benefit under this Agreement, or be valid for any purpose, unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein, executed by an authorized officer of the Trustee or the Authenticating Agent, if any, by manual signature, and such certification upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication. At any time and from time to time after the execution and delivery of this Agreement, the Depositor may deliver Certificates executed by the Depositor to the Trustee or the Authenticating Agent for authentication and the Trustee or the Authenticating Agent shall authenticate and deliver such Certificates as in this Agreement provided and not otherwise.

(c) The Class B Certificates offered and sold in reliance on the exemption from registration under Rule 144A under the Securities Act shall be issued initially in the form of one or more permanent global Certificates in definitive, fully registered form without interest coupons with the applicable legends set forth in Exhibit A added to the forms of such Certificates (each, a “Restricted Global Security”), which shall be deposited on behalf of the subscribers for such Certificates represented thereby with the Trustee, as custodian for The Depository Trust Company (“DTC”) and registered in the name of a nominee of DTC, duly executed and authenticated by the Trustee as hereinafter provided. The aggregate principal amounts of the Restricted Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee or DTC or its nominee, as the case may be, as hereinafter provided.

(d) The Class B Certificates sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more permanent global Certificates in definitive, fully registered form without interest coupons with the applicable legends set forth in Exhibit A hereto added to the forms of such Certificates (each, a “Regulation S Global Security”), which shall be deposited on behalf of the subscribers for such Certificates represented thereby with the Trustee, as custodian for DTC and registered in the name of a nominee of DTC, duly executed and authenticated by the Trustee as hereinafter provided. The aggregate principal amounts of the Regulation S Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee or DTC or its nominee, as the case may be, as hereinafter provided.

(e) The Class B Certificates sold to an “accredited investor” under Rule 501(a)(1), (2), (3) or (7) under the Securities Act shall be issued initially in the form of one or more Definitive Certificates.



Section 3.02. Registration.

The Trustee is hereby appointed, and hereby accepts its appointment as, Certificate Registrar in respect of the Certificates (and, after a Section 7.01(c) Purchase Event, the Lower Tier REMIC 1 Uncertificated Regular Interests) and shall maintain books for the registration and for the transfer of Certificates (and, after a Section 7.01(c) Purchase Event, the Lower Tier REMIC 1 Uncertificated Regular Interests) (the "Certificate Register"). The Trustee may appoint a bank or trust company to act as Certificate Registrar. A registration book shall be maintained for the Certificates (and Lower Tier REMIC 1 Uncertificated Regular Interests, as the case may be) collectively. The Certificate Registrar may resign or be discharged or removed and a new successor may be appointed in accordance with the procedures and requirements set forth in Sections 6.06 and 6.07 hereof with respect to the resignation, discharge or removal of the Trustee and the appointment of a successor Trustee. The Certificate Registrar may appoint, by a written instrument delivered to the Holders, any NIMS Insurer and the Master Servicer, any bank or trust company to act as co-registrar under such conditions as the Certificate Registrar may prescribe; *provided, however*, that the Certificate Registrar shall not be relieved of any of its duties or responsibilities hereunder by reason of such appointment.

Upon the occurrence of a Section 7.01(c) Purchase Event, the Master Servicer shall provide the Trustee with written notice of the identity of any transferee of the Master Servicer's interest in the Lower Tier REMIC 1 Uncertificated Regular Interests, which notice shall contain a certification that such transferee is a permitted LTURI-holder hereunder. The Lower Tier REMIC 1 Uncertificated Regular Interests may only be transferred in whole and not in part to no more than one LTURI-holder at a time who is either (1) an affiliate of the Master Servicer or (2) a trustee of a privately placed securitization. The Trustee and the Depositor shall treat the Person in whose name the Lower Tier REMIC 1 Uncertificated Regular Interests are registered on the books of the Certificate Registrar as the LTURI-holder for all purposes hereunder.

Section 3.03. Transfer and Exchange of Certificates.

(a) A Certificate (other than a Book-Entry Certificate which shall be subject to Section 3.09 hereof) may be transferred by the Holder thereof only upon presentation and surrender of such Certificate at the office of the Certificate Registrar duly endorsed or accompanied by an assignment duly executed by such Holder or his duly authorized attorney in such form as shall be satisfactory to the Certificate Registrar. Upon the transfer of any Certificate in accordance with the preceding sentence, the Trustee shall execute, and the Trustee or any Authenticating Agent shall authenticate and deliver to the transferee, one or more new Certificates of the same Class and evidencing, in the aggregate, the same aggregate Certificate Principal Amount or Percentage Interest as the Certificate being transferred. No service charge shall be made to a Certificateholder for any registration of transfer of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any registration of transfer of Certificates.

(b) A Certificate may be exchanged by the Holder thereof for any number of new Certificates of the same Class, in authorized denominations, representing in the aggregate the same Certificate Principal Amount or Percentage Interest as the Certificate surrendered, upon surrender of the Certificate to be exchanged at the office of the Certificate Registrar duly endorsed or accompanied by a written instrument of transfer duly executed by such Holder or his duly authorized attorney in such form as is satisfactory to the Certificate Registrar. Certificates delivered upon any such exchange will evidence the same obligations, and will be entitled to the same rights and privileges, as the Certificates surrendered. No service charge shall be made to a Certificateholder for any exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any exchange of Certificates. Whenever any Certificates are so surrendered for exchange, the Trustee shall execute, and the Trustee or the Authenticating Agent shall authenticate, date and deliver the Certificates which the Certificateholder making the exchange is entitled to receive.

(c) By acceptance of a Restricted Certificate or a Regulation S Global Security, whether upon original issuance or subsequent transfer, each Holder of such a Certificate acknowledges the restrictions on the transfer of such Certificate set forth thereon and agrees that it will transfer such a Certificate only as provided herein. In addition, each Holder of a Regulation S Global Security shall be deemed to have represented and warranted to the Trustee, the Certificate Registrar and any of their respective successors that: (i) such Person is not a U.S. person within the meaning of Regulation S and was, at the time the buy order was originated, outside the United States and (ii) such Person understands that such Certificates have not been registered under the Securities Act, and that (x) until the expiration of the 40-day distribution compliance period (within the meaning of Regulation S), no offer, sale, pledge or other transfer of such Certificates or any interest therein shall be made in the United States or to or for the account or benefit of a U.S. person (each as defined in Regulation S), (y) if in the future it decides to offer, resell, pledge or otherwise transfer such Certificates, such Certificates may be offered, resold, pledged or otherwise transferred only (A) to a person which the seller reasonably believes is a “qualified institutional buyer” (a “QIB”) as defined in Rule 144A under the Securities Act, that is purchasing such Certificates for its own account or for the account of a qualified institutional buyer to which notice is given that the transfer is being made in reliance on Rule 144A or (B) in an offshore transaction (as defined in Regulation S) in compliance with the provisions of Regulation S, in each case in compliance with the requirements of this Agreement; and it will notify such transferee of the transfer restrictions specified in this Section.

The following restrictions shall apply with respect to the transfer and registration of transfer of a Restricted Certificate to a transferee that takes delivery in the form of a Definitive Certificate:

(i) The Certificate Registrar shall register the transfer of a Restricted Certificate if the requested transfer is (x) to the Depositor or the Placement Agent, an affiliate (as defined in Rule 405 under the Securities Act) of the Depositor or the Placement Agent or (y) being made to a “qualified institutional buyer” (a “QIB”) as defined in Rule 144A under the Securities Act by a transferor that has provided the Trustee with a certificate in the form of Exhibit F hereto; and

(ii) The Certificate Registrar shall register the transfer of a Restricted Certificate if the requested transfer is being made to an “accredited investor” under Rule 501(a)(1), (2), (3) or (7) under the Securities Act, or to any Person all of the equity owners in which are such accredited investors, by a transferor who furnishes to the Trustee a letter of the transferee substantially in the form of Exhibit G hereto.

(d) (i) No transfer of an ERISA-Restricted Certificate in the form of a Definitive Certificate shall be made to any Person unless the Trustee has received (A) a certificate substantially in the form of Exhibit H hereto (or Exhibit D-1, in the case of a Residual Certificate) from such transferee or (B) an Opinion of Counsel satisfactory to the Trustee, to the effect that the purchase and holding of such a Certificate will not constitute or result in prohibited transactions under Title I of ERISA or Section 4975 of the Code and will not subject the Trustee, the Master Servicer, any Servicer, any NIMS Insurer or the Depositor to any obligation in addition to those undertaken in the Agreement; *provided, however*, that the Trustee will not require such certificate or opinion in the event that, as a result of a change of law or otherwise, counsel satisfactory to the Trustee, has rendered an opinion to the effect that the purchase and holding of an ERISA-Restricted Certificate by a Plan or a Person that is purchasing or holding such a Certificate with the assets of a Plan will not constitute or result in a prohibited transaction under Title I of ERISA or Section 4975 of the Code. Each Transferee of an ERISA-Restricted Certificate that is a Book-Entry Certificate shall be deemed to have made the representations set forth in Exhibit H. The preparation and delivery of the certificate and opinions referred to above shall not be an expense of the Trust Fund, the Trustee, the Master Servicer, any NIMS Insurer or the Depositor.

Notwithstanding the foregoing, no opinion or certificate shall be required for the initial issuance of the ERISA-Restricted Certificates. The Trustee shall have no obligation to monitor transfers of Book-Entry Certificates that are ERISA-Restricted Certificates and shall have no liability for transfers of such Certificates in violation of the transfer restrictions. The Trustee shall be under no liability to any Person for any registration of transfer of any ERISA-Restricted Certificate that is in fact not permitted by this Section 3.03(d) or for making any payments due on such Certificate to the Holder thereof or taking any other action with respect to such Holder under the provisions of this Agreement so long as the transfer was registered by the Trustee in accordance with the foregoing requirements. The Trustee shall be entitled, but not obligated, to recover from any Holder of any ERISA-Restricted Certificate that was in fact a Plan or a Person acting on behalf of any such Plan any payments made on such ERISA-Restricted Certificate at and after either such time. Any such payments so recovered by the Trustee shall be paid and delivered by the Trustee to the last preceding Holder of such Certificate that is not such a Plan or Person acting on behalf of a Plan.

(ii) No transfer of an ERISA-Restricted Trust Certificate shall be made prior to the termination of the Swap Agreement and the Interest Rate Cap Agreement, unless the Trustee shall have received a representation letter from the transferee of such Certificate, substantially in the form set forth in Exhibit H, to the effect that either (i) such transferee is neither a Plan nor a Person acting on behalf of any such Plan or using the assets of any such Plan to effect such transfer or (ii) the acquisition and holding of the ERISA-Restricted Trust Certificate are eligible for exemptive relief under the statutory exemption for nonfiduciary service providers under Section 408(b)(17) of ERISA and Section 4975(d) (20) of the Code, Prohibited Transaction Class Exemption (“PTCE”) 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 or some other applicable exemption. Notwithstanding anything else to the contrary herein, prior to the termination of the Swap Agreement and the Interest Rate Cap Agreement any purported transfer of an ERISA-Restricted Trust Certificate on behalf of a Plan without the delivery to the Trustee of a representation letter as described above shall be void and of no effect. If the ERISA-Restricted Trust Certificate is a Book-Entry Certificate, prior to the termination of the Swap Agreement and the Interest Rate Cap Agreement, the transferee will be deemed to have made a representation as provided in clause (i) or (ii) of this paragraph, as applicable.

If any ERISA-Restricted Trust Certificate, or any interest therein, is acquired or held in violation of the provisions of the preceding paragraph, the next preceding permitted beneficial owner will be treated as the beneficial owner of that Certificate, retroactive to the date of transfer to the purported beneficial owner. Any purported beneficial owner whose acquisition or holding of an ERISA-Restricted Trust Certificate, or interest therein, was effected in violation of the provisions of the preceding paragraph shall indemnify to the extent permitted by law and hold harmless the Depositor, the Trustee, any NIMS Insurer and the Master Servicer from and against any and all liabilities, claims, costs or expenses incurred by such parties as a result of such acquisition or holding.

To the extent permitted under applicable law (including, but not limited to, ERISA), the Trustee shall be under no liability to any Person for any registration of transfer of any ERISA-Restricted Trust Certificate that is in fact not permitted by this Section 3.03(d)(ii) or for making any payments due on such Certificate to the Holder thereof or taking any other action with respect to such Holder under the provisions of this Agreement so long as the transfer was registered by the Trustee in accordance with the foregoing requirements.

(e) As a condition of the registration of transfer or exchange of any Certificate, the Certificate Registrar may require the certified taxpayer identification number of the owner of the Certificate and the payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith; *provided, however*, that the Certificate Registrar shall have no obligation to require such payment or to determine whether or not any such tax or charge may be applicable. No service charge shall be made to the Certificateholder for any registration, transfer or exchange of a Certificate.

(f) Notwithstanding anything to the contrary contained herein, no Residual Certificate may be owned, pledged or transferred, directly or indirectly, by or to (i) a Disqualified Organization or (ii) an individual, corporation or partnership or other person unless such person is (A) not a Non-U.S. Person or (B) is a Non-U.S. Person that holds a Residual Certificate in connection with the conduct of a trade or business within the United States and has furnished the transferor and the Trustee with an effective Internal Revenue Service W-8ECI or successor form at the time and in the manner required by the Code (any such person who is not covered by clause (A) or (B) above is referred to herein as a "Non-permitted Foreign Holder").

Prior to and as a condition of the registration of any transfer, sale or other disposition of a Residual Certificate, the proposed transferee shall deliver to the Trustee or Certificate Registrar an affidavit in substantially the form attached hereto as Exhibit D-1 representing and warranting, among other things, that such transferee is neither a Disqualified Organization, an agent or nominee acting on behalf of a Disqualified Organization, nor a Non-Permitted Foreign Holder (any such transferee, a "Permitted Transferee"), and the proposed transferor shall deliver to the Trustee an affidavit in substantially the form attached hereto as Exhibit D-2. In addition, the Trustee may (but shall have no obligation to) require, prior to and as a condition of any such transfer, the delivery by the proposed transferee of an Opinion of Counsel, addressed to the Depositor, the Master Servicer, any NIMS Insurer and the Trustee satisfactory in form and substance to the Depositor, that such proposed transferee or, if the proposed transferee is an agent or nominee, the proposed beneficial owner, is not a Disqualified Organization, agent or nominee thereof, or a Non-Permitted Foreign Holder. Notwithstanding the registration in the Certificate Register of any transfer, sale, or other disposition of a Residual Certificate to a Disqualified Organization, an agent or nominee thereof, or Non-Permitted Foreign Holder, such registration shall be deemed to be of no legal force or effect whatsoever and such Disqualified Organization, agent or nominee thereof, or Non-Permitted Foreign Holder shall not be deemed to be a Certificateholder for any purpose hereunder, including, but not limited to, the receipt of distributions on such Residual Certificate. The Trustee shall not be under any liability to any person for any registration or transfer of a Residual Certificate to a Disqualified Organization, agent or nominee thereof or Non-permitted Foreign Holder or for the maturity of any payments due on such Residual Certificate to the Holder thereof or for taking any other action with respect to such Holder under the provisions of the Agreement, so long as the transfer was effected in accordance with this Section 3.03(f), unless a Responsible Officer of the Trustee shall have actual knowledge at the time of such transfer or the time of such payment or other action that the transferee is a Disqualified Organization, or an agent or nominee thereof, or Non-permitted Foreign Holder. The Trustee shall be entitled, but not obligated, to recover from any Holder of a Residual Certificate that was a Disqualified Organization, agent or nominee thereof, or Non-permitted Foreign Holder at the time it became a Holder or any subsequent time it became a Disqualified Organization, agent or nominee thereof, or Non-permitted Foreign Holder, all payments made on such Residual Certificate at and after either such times (and all costs and expenses, including but not limited to attorneys' fees, incurred in connection therewith). Any payment (not including any such costs and expenses) so recovered by the Trustee shall be paid and delivered to the last preceding Holder of such Residual Certificate.

If any purported transferee shall become a registered Holder of a Residual Certificate in violation of the provisions of this Section 3.03 (f), then upon receipt of written notice to the Trustee or Certificate Registrar that the registration of transfer of such Residual Certificate was not in fact permitted by this Section 3.03(f), the last preceding Permitted Transferee shall be restored to all rights as Holder thereof retroactive to the date of such registration of transfer of such Residual Certificate. The Trustee shall be under no liability to any Person for any registration of transfer of a Residual Certificate that is in fact not permitted by this Section 3.03(f), for making any payment due on such Certificate to the registered Holder thereof or for taking any other action with respect to such Holder under the provisions of this Agreement so long as the transfer was registered upon receipt of the affidavit described in the preceding paragraph of this Section 3.03(f).

(g) Each Holder or Certificate Owner of a Restricted Certificate, ERISA-Restricted Certificate or Residual Certificate, or an interest therein, by such Holder's or Owner's acceptance thereof, shall be deemed for all purposes to have consented to the provisions of this section.

(h) Notwithstanding any provision to the contrary herein, so long as a Global Security representing any Class B Certificate remains outstanding and is held by or on behalf of DTC, transfers of a Global Security representing any such Certificates, in whole or in part, shall only be made in accordance with Section 3.01 and this Section 3.03(h).

(A) Subject to clauses (B) and (C) of this Section 3.03(h), transfers of a Global Security representing any Class B Certificate shall be limited to transfers of such Global Security, in whole or in part, to nominees of DTC or to a successor of DTC or such successor's nominee.

(B) *Restricted Global Security to Regulation S Global Security* . If a holder of a beneficial interest in a Restricted Global Security deposited with or on behalf of DTC wishes at any time to exchange its interest in such Restricted Global Security for an interest in a Regulation S Global Security, or to transfer its interest in such Restricted Global Security to a Person who wishes to take delivery thereof in the form of an interest in a Regulation S Global Security, such holder, provided such holder is not a U.S. person, may, subject to the rules and procedures of DTC, exchange or cause the exchange of such interest for an equivalent beneficial interest in the Regulation S Global Security. Upon receipt by the Trustee, as Certificate Registrar, of (I) instructions from DTC directing the Trustee, as Certificate Registrar, to be credited a beneficial interest in a Regulation S Global Security in an amount equal to the beneficial interest in such Restricted Global Security to be exchanged but not less than the minimum denomination applicable to such holder's Certificates held through a Regulation S Global Security, (II) a written order given in accordance with DTC's procedures containing information regarding the participant account of DTC and, in the case of a transfer pursuant to and in accordance with Regulation S, the Euroclear or Clearstream account to be credited with such increase and (III) a certificate in the form of Exhibit M-1 hereto given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Global Securities, including that the holder is not a U.S. person, and pursuant to and in accordance with Regulation S, the Trustee, as Certificate Registrar, shall reduce the principal amount of the Restricted Global Security and increase the principal amount of the Regulation S Global Security by the aggregate principal amount of the beneficial interest in the Restricted Global Security to be exchanged, and shall instruct Euroclear or Clearstream, as applicable, concurrently with such reduction, to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Regulation S Global Security equal to the reduction in the principal amount of the Restricted Global Security.

(C) *Regulation S Global Security to Restricted Global Security* . If a holder of a beneficial interest in a Regulation S Global Security deposited with or on behalf of DTC wishes at any time to transfer its interest in such Regulation S Global Security to a Person who wishes to take delivery thereof in the form of an interest in a Restricted Global Security, such holder may, subject to the rules and procedures of DTC, exchange or cause the exchange of such interest for an equivalent beneficial interest in a Restricted Global Security. Upon receipt by the Trustee, as Certificate Registrar, of (I) instructions from DTC directing the Trustee, as Certificate Registrar, to cause to be credited a beneficial interest in a Restricted Global Security in an amount equal to the beneficial interest in such Regulation S Global Security to be exchanged but not less than the minimum denomination applicable to such holder's Certificates held through a Restricted Global Security, to be exchanged, such instructions to contain information regarding the participant account with DTC to be credited with such increase, and (II) a certificate in the form of Exhibit M-2 hereto given by the holder of such beneficial interest and stating, among other things, that the Person transferring such interest in such Regulation S Global Security reasonably believes that the Person acquiring such interest in a Restricted Global Security is a QIB, is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A under the Securities Act and in accordance with any applicable securities laws of any State of the United States or any other jurisdiction, then the Trustee, as Certificate Registrar, will reduce the principal amount of the Regulation S Global Security and increase the principal amount of the Restricted Global Security by the aggregate principal amount of the beneficial interest in the Regulation S Global Security to be transferred and the Trustee, as Certificate Registrar, shall instruct DTC, concurrently with such reduction, to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Restricted Global Security equal to the reduction in the principal amount of the Regulation S Global Security.

(D) *Other Exchanges* . In the event that a Global Security is exchanged for Certificates in definitive registered form without interest coupons, pursuant to Section 3.09(c) hereof, such Certificates may be exchanged for one another only in accordance with such procedures as are substantially consistent with the provisions above (including certification requirements intended to insure that such transfers comply with Rule 144A, comply with Rule 501(a)(1), (2), (3) or (7) or are to non-U.S. persons in compliance with Regulation S under the Securities Act, as the case may be), and as may be from time to time adopted by the Trustee.

(E) *Restrictions on U.S. Transfers* . Transfers of interests in the Regulation S Global Security to U.S. persons (as defined in Regulation S) shall be limited to transfers made pursuant to the provisions of Section 3.03(1)(C).

Section 3.04. Cancellation of Certificates.

Any Certificate surrendered for registration of transfer or exchange shall be cancelled and retained in accordance with the Trustee's normal retention policies with respect to cancelled certificates maintained by the Trustee or the Certificate Registrar.

Section 3.05. Replacement of Certificates.

If (i) any Certificate is mutilated and is surrendered to the Trustee or any Authenticating Agent or (ii) the Trustee or any Authenticating Agent receives evidence to its satisfaction of the destruction, loss or theft of any Certificate, and there is delivered to the Trustee and the Authenticating Agent and any NIMS Insurer such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Trustee and any Authenticating Agent that such destroyed, lost or stolen Certificate has been acquired by a bona fide purchaser, the Trustee shall execute and the Trustee or any Authenticating Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor and Certificate Principal Amount. Upon the issuance of any new Certificate under this Section 3.05, the Trustee and Authenticating Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee or the Authenticating Agent) connected therewith. Any replacement Certificate issued pursuant to this Section 3.05 shall constitute complete and indefeasible evidence of ownership in the applicable Trust Fund, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

Section 3.06. Persons Deemed Owners.

Subject to the provisions of Section 3.09 with respect to Book-Entry Certificates, the Depositor, the Master Servicer, the Trustee, the Certificate Registrar, any NIMS Insurer and any agent of any of them may treat the Person in whose name any Certificate is registered upon the books of the Certificate Registrar as the owner of such Certificate for the purpose of receiving distributions pursuant to Sections 5.01 and 5.02 and for all other purposes whatsoever, and neither the Depositor, the Master Servicer, the Trustee, the Certificate Registrar, any NIMS Insurer nor any agent of any of them shall be affected by notice to the contrary.

Section 3.07. Temporary Certificates.

(a) Pending the preparation of definitive Certificates, upon the order of the Depositor, the Trustee shall execute and shall authenticate and deliver temporary Certificates that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Certificates in lieu of which they are issued and with such variations as the authorized officers executing such Certificates may determine, as evidenced by their execution of such Certificates.

(b) If temporary Certificates are issued, the Depositor will cause definitive Certificates to be prepared without unreasonable delay. After the preparation of definitive Certificates, the temporary Certificates shall be exchangeable for definitive Certificates upon surrender of the temporary Certificates at the office or agency of the Trustee without charge to the Holder. Upon surrender for cancellation of any one or more temporary Certificates, the Trustee shall execute and authenticate and deliver in exchange therefor a like aggregate Certificate Principal Amount of definitive Certificates of the same Class in the authorized denominations. Until so exchanged, the temporary Certificates shall in all respects be entitled to the same benefits under this Agreement as definitive Certificates of the same Class.

Section 3.08. Appointment of Paying Agent.

(a) The Trustee, subject to the consent of the NIMS Insurer, may appoint a Paying Agent (which may be the Trustee) for the purpose of making distributions to Certificateholders hereunder. The Trustee shall cause such Paying Agent (if other than the Trustee) to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee that such Paying Agent will hold all sums held by it for the payment to Certificateholders in an Eligible Account in trust for the benefit of the Certificateholders entitled thereto until such sums shall be paid to the Certificateholders. All funds remitted by the Trustee to any such Paying Agent for the purpose of making distributions shall be paid to Certificateholders on each Distribution Date and any amounts not so paid shall be returned on such Distribution Date to the Trustee. If the Paying Agent is not the Trustee, the Trustee shall cause to be remitted to the Paying Agent on or before the Business Day prior to each Distribution Date, by wire transfer in immediately available funds, the funds to be distributed on such Distribution Date. Any Paying Agent shall be either a bank or trust company or otherwise authorized under law to exercise corporate trust powers. The initial Paying Agent shall be the Trustee.



(b) Any Paying Agent (if other than the Trustee) shall comply with its reporting obligations under Regulation AB with respect to the Trust Fund in form and substance similar to those of the Trustee pursuant to Section 6.20 and Section 9.25, and the related assessment of compliance and attestation shall cover, at a minimum, the elements of the servicing criteria applicable to the Paying Agent indicated in Exhibit S attached hereto. For so long as the Depositor is subject to Exchange Act reporting requirements with respect to the Trust, the Paying Agent shall give prior written notice to the Sponsor, the Master Servicer, the Trustee and the Depositor of the appointment of any Subcontractor by it and a written description (in form and substance reasonably satisfactory to the Sponsor and the Depositor) of the role and function of each Subcontractor utilized by the Paying Agent, as applicable, specifying (A) the identity of each such Subcontractor and (B) which elements of the servicing criteria set forth under Item 1122(d) of Regulation AB will be addressed in assessments of compliance provided by each such Subcontractor. In addition, for so long as the Depositor is subject to Exchange Act reporting requirements with respect to the Trust, the Paying Agent shall notify the Sponsor, the Master Servicer, the Trustee and the Depositor within five (5) calendar days of knowledge thereof (i) of any legal proceedings pending against the Paying Agent of the type described in Item 1117 (§ 229.1117) of Regulation AB, (ii) any merger, consolidation or sale of substantially all of the assets of the Paying Agent and (iii) if the Paying Agent shall become (but only to the extent not previously disclosed) at any time an affiliate of any of the parties listed on Exhibit V hereto or any of their affiliates. On or before March 1<sup>st</sup> of each year, the Depositor shall furnish any change in the information in Exhibit V to the Paying Agent and the Trustee.

(c) Any Paying Agent (if other than the Trustee) agrees to indemnify the Depositor, the Trustee and the Master Servicer, and each of their respective directors, officers, employees and agents and the Trust Fund and hold each of them harmless from and against any 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 the failure by such Paying Agent to deliver any information, report or certification when and as required under Section 6.20 and Section 9.25(a). This indemnification shall survive the termination of this Agreement or the termination of such Paying Agent hereunder.

Section 3.09. Book-Entry Certificates.

(a) Each Class of Book-Entry Certificates, upon original issuance, shall be issued in the form of one or more typewritten Certificates representing the Book-Entry Certificates. The Book-Entry Certificates shall initially be registered on the Certificate Register in the name of the nominee of the Clearing Agency, and no Certificate Owner will receive a definitive certificate representing such Certificate Owner's interest in the Book-Entry Certificates, except as provided in Section 3.09(c). Unless Definitive Certificates have been issued to Certificate Owners of Book-Entry Certificates pursuant to Section 3.09(c):

(i) the provisions of this Section 3.09 shall be in full force and effect;

(ii) the Depositor, the Master Servicer, the Paying Agent, the Registrar, any NIMS Insurer and the Trustee may deal with the Clearing Agency for all purposes (including the making of distributions on the Book-Entry Certificates) as the authorized representatives of the Certificate Owners and the Clearing Agency shall be responsible for crediting the amount of such distributions to the accounts of such Persons entitled thereto, in accordance with the Clearing Agency's normal procedures;

(iii) to the extent that the provisions of this Section 3.09 conflict with any other provisions of this Agreement, the provisions of this Section 3.09 shall control; and

(iv) the rights of Certificate Owners shall be exercised only through the Clearing Agency and the Clearing Agency Participants and shall be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency and/or the Clearing Agency Participants. Unless and until Definitive Certificates are issued pursuant to Section 3.09(c), the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal of and interest on the Book-Entry Certificates to such Clearing Agency Participants.

(b) Whenever notice or other communication to the Certificateholders is required under this Agreement, unless and until Definitive Certificates shall have been issued to Certificate Owners pursuant to Section 3.09(c), the Trustee shall give all such notices and communications specified herein to be given to Holders of the Book-Entry Certificates to the Clearing Agency.

(c) If (i) (A) the Depositor advises the Trustee in writing that the Clearing Agency is no longer willing or able to discharge properly its responsibilities with respect to the Book-Entry Certificates, and (B) the Depositor is unable to locate a qualified successor or (ii) after the occurrence of an Event of Default, Certificate Owners representing beneficial interests aggregating not less than 50% of the Class Principal Amount of a Class of Book-Entry Certificates identified as such to the Trustee by an Officer's Certificate from the Clearing Agency advise the Trustee and the Clearing Agency through the Clearing Agency Participants in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Certificate Owners of a Class of Book-Entry Certificates, the Trustee shall notify any NIMS Insurer and shall notify or cause the Certificate Registrar to notify the Clearing Agency to effect notification to all Certificate Owners, through the Clearing Agency, of the occurrence of any such event and of the availability of Definitive Certificates to Certificate Owners requesting the same. Upon surrender to the Trustee of the Book-Entry Certificates by the Clearing Agency, accompanied by registration instructions from the Clearing Agency for registration, the Trustee shall issue the Definitive Certificates. Neither the Depositor nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Certificates all references herein to obligations imposed upon or to be performed by the Clearing Agency shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable, with respect to such Definitive Certificates and the Trustee shall recognize the holders of the Definitive Certificates as Certificateholders hereunder. Notwithstanding the foregoing, the Trustee, upon the instruction of the Depositor, shall have the right to issue Definitive Certificates on the Closing Date in connection with credit enhancement programs.

ARTICLE IV

ADMINISTRATION OF THE TRUST FUND

Section 4.01. Collection Account.

(a) On the Closing Date, the Master Servicer shall open and shall thereafter maintain a segregated account held in trust (the "Collection Account"), entitled "Aurora Loan Services LLC, as Master Servicer, in trust for the benefit of the Holders of Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass Through Certificates, Series 2007-BC1." The Collection Account shall relate solely to the Certificates and to the Lower Tier REMIC 1 Uncertificated Regular Interests issued by the Trust Fund hereunder, and funds in such Collection Account shall not be commingled with any other monies.

(b) The Collection Account shall be an Eligible Account. If an existing Collection Account ceases to be an Eligible Account, the Master Servicer shall establish a new Collection Account that is an Eligible Account within 10 days and transfer all funds and investment property on deposit in such existing Collection Account into such new Collection Account.

(c) The Master Servicer shall give to the Trustee prior written notice of the name and address of the depository institution at which the Collection Account is maintained and the account number of such Collection Account. The Master Servicer shall take such actions as are necessary to cause the depository institution holding the Collection Account to hold such account in the name of the Master Servicer under this Agreement. On each Master Servicer Remittance Date, the entire amount on deposit in the Collection Account (subject to permitted withdrawals set forth in Section 4.02), other than amounts not included in the Total Distribution Amount for such Distribution Date shall be remitted to the Trustee for deposit into the Certificate Account by wire transfer in immediately available funds. The Master Servicer, at its option, may choose to make daily remittances from the Collection Account to the Trustee for deposit into the Certificate Account.

(d) The Master Servicer shall deposit or cause to be deposited into the Collection Account, no later than the second Business Day following the Closing Date, any amounts received with respect to the Mortgage Loans representing Scheduled Payments (or in the case of Simple Interest Mortgage Loans, representing scheduled interest payments, but actual principal payments) on the Mortgage Loans due after the Cut-off Date and unscheduled payments received on or after the Cut-off Date and on or before the Closing Date. Thereafter, the Master Servicer shall deposit or cause to be deposited in the Collection Account on the earlier of the applicable Master Servicer Remittance Date and two Business Days following receipt thereof, the following amounts received or payments made by it (other than in respect of principal of and interest on the Mortgage Loans due on or before the Cut-off Date):

- (i) all payments on account of principal, including Principal Prepayments, any Subsequent Recovery and any Scheduled Payment attributable to principal received after its related Due Date, on the Mortgage Loans;
- (ii) all payments on account of interest on the Mortgage Loans, including Prepayment Premiums, in all cases, net of the Servicing Fee and the PMI Insurance Premiums, if any, with respect to each such Mortgage Loan, but only to the extent of the amount permitted to be withdrawn or withheld from the Collection Account in accordance with Sections 5.04 and 9.21;
- (iii) any unscheduled payment or other recovery with respect to a Mortgage Loan not otherwise specified in this paragraph (d), including all Net Liquidation Proceeds with respect to the Mortgage Loans and REO Property, and all amounts received in connection with the operation of any REO Property, net of (x) any unpaid Servicing Fees with respect to such Mortgage Loans (but only to the extent of the amount permitted to be withdrawn or withheld from the Collection Account in accordance with Sections 5.04 and 9.21) and (y) any amounts reimbursable to a Servicer with respect to such Mortgage Loan under the applicable Servicing Agreement and retained by such Servicer;
- (iv) all Insurance Proceeds;
- (v) all Advances made by the Master Servicer, any Servicer or the Trustee pursuant to Section 5.04 or the applicable Servicing Agreement;
- (vi) any Seller Remittance Amounts remitted by a Servicer;
- (vii) all amounts paid by any Servicer with respect to Net Simple Interest Shortfalls and Prepayment Interest Shortfalls; and
- (viii) the Purchase Price, FPD Purchase Price or PPTL Purchase Price (including any FPD Premium or PPTL Premium) of any Mortgage Loan repurchased by the Depositor, the Seller, the Master Servicer or any other Person and any Substitution Amount related to any Qualifying Substitute Mortgage Loan and any purchase price paid by any NIMS Insurer for the purchase of any Distressed Mortgage Loan under Section 7.04.

The Master Servicer shall also deposit from its own funds into the Collection Account (to the extent not already received from the related Servicer), without right of reimbursement, except from Net Simple Interest Excess, an amount equal to any Net Simple Interest Shortfall (to the extent not offset by Net Simple Interest Excess) for the related Collection Period.

(e) Funds in the Collection Account may be invested in Eligible Investments selected by and at the written direction of the Master Servicer, which shall mature not later than one Business Day prior to the Master Servicer Remittance Date (except that if such Eligible Investment is an obligation of the Trustee, then such Eligible Investment shall mature not later than such applicable Master Servicer Remittance Date) and any such Eligible Investment shall not be sold or disposed of prior to its maturity. All such Eligible Investments shall be made in the name of the Master Servicer in trust for the benefit of the Trustee and Holders of the Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1. All income and gain realized from any Eligible Investment shall be for the benefit of the Master Servicer and shall be subject to its withdrawal or order from time to time, subject to Section 5.05 hereof, and shall not be part of the Trust Fund. The amount of any losses incurred in respect of any such investments shall be deposited in such Collection Account by the Master Servicer out of its own funds, without any right of reimbursement therefor, immediately as realized. The foregoing requirements for deposit in the Collection Account are exclusive, it being understood and agreed that, without limiting the generality of the foregoing, payments of interest on funds in the Collection Account and payments in the nature of late payment charges, assumption fees and other incidental fees and charges relating to the Mortgage Loans (other than Prepayment Premiums) need not be deposited by the Master Servicer in the Collection Account and may be retained by the Master Servicer or the applicable Servicer as additional servicing compensation. If the Master Servicer deposits in the Collection Account any amount not required to be deposited therein, it may at any time withdraw such amount from such Collection Account.

Section 4.02. Application of Funds in the Collection Account.

The Master Servicer may, from time to time, make, or cause to be made, withdrawals from the Collection Account for the following purposes:

(i) to reimburse itself or any Servicer for Advances or Servicing Advances made by it or by such Servicer pursuant to Section 5.04 or the applicable Servicing Agreement; such right to reimbursement pursuant to this subclause (i) is limited to amounts received on or in respect of a particular Mortgage Loan (including, for this purpose, Liquidation Proceeds and amounts representing Insurance Proceeds with respect to the property subject to the related Mortgage) which represent late recoveries (net of the applicable Servicing Fee) of payments of principal or interest respecting which any such Advance was made, it being understood, in the case of any such reimbursement, that the Master Servicer's or Servicer's right thereto shall be prior to the rights of the Certificateholders;

(ii) to reimburse itself or any Servicer, following a final liquidation of a Mortgage Loan (except as otherwise provided in the related Servicing Agreement) for any previously unreimbursed Advances or Servicing Advances made by it or by such Servicer (A) that it determines in good faith will not be recoverable from amounts representing late recoveries of payments of principal or interest respecting the particular Mortgage Loan as to which such Advance or Servicing Advance was made or from Liquidation Proceeds or Insurance Proceeds with respect to such Mortgage Loan and/or (B) to the extent that such unreimbursed Advances or Servicing Advances exceed the related Liquidation Proceeds or Insurance Proceeds, it being understood, in the case of each such reimbursement, that such Master Servicer's or Servicer's right thereto shall be prior to the rights of the Certificateholders;

(iii) to reimburse itself or any Servicer from Liquidation Proceeds for Liquidation Expenses and for amounts expended by it pursuant to Section 9.22(c) or the applicable Servicing Agreement in good faith in connection with the restoration of damaged property and, to the extent that Liquidation Proceeds after such reimbursement exceed the unpaid principal balance of the related Mortgage Loan, together with accrued and unpaid interest thereon at the applicable Mortgage Rate less the applicable Servicing Fee Rate for such Mortgage Loan to the Due Date next succeeding the date of its receipt of such Liquidation Proceeds, to pay to itself out of such excess the amount of any unpaid assumption fees, late payment charges or other Mortgagor charges on the related Mortgage Loan and to retain any excess remaining thereafter as additional servicing compensation, it being understood, in the case of any such reimbursement or payment, that such Master Servicer's or Servicer's right thereto shall be prior to the rights of the Certificateholders;

(iv) to the extent of any previous Advances made by the Master Servicer with respect to Simple Interest Mortgage Loans, to pay itself an amount equal to Net Simple Interest Excess for the related Collection Period to the extent not offset by Net Simple Interest Shortfalls;

(v) to reimburse itself or any Servicer for expenses incurred by and recoverable by or reimbursable to it or any Servicer pursuant to this Agreement, including, without limitation, Sections 9.04, 9.05(b), 9.07(a), 9.30 or 11.15;

(vi) to pay to the Seller any Seller Remittance Amount;

(vii) to pay to the Depositor or the Seller, as applicable, with respect to each Mortgage Loan or REO Property acquired in respect thereof that has been purchased pursuant to this Agreement, all amounts received thereon and not distributed on the date on which the related repurchase was effected, and to pay to the applicable Person any Advances and Servicing Advances to the extent specified in the definition of Purchase Price (or FPD Purchase Price), any FPD Premium or PPTL Premium, if any, (in the case of a First Payment Default Loan or Delinquency Default Mortgage Loan), or any amounts paid by LBH for shortfalls in the Purchase Price for repurchases of First Payment Default Mortgage Loans pursuant to Section 1.04(f) of the Mortgage Loan Sale Agreement relating to the Seller paying the difference if the FPD Purchase Price is less than the Purchase Price;

(viii) if applicable, to pay the PMI Insurance Premium with respect to each Bulk PMI Policy;

(ix) subject to Section 5.05, to pay to itself income earned on the investment of funds deposited in the Collection Account;

(x) to make payments to the Trustee for deposit into the Certificate Account in the amounts and in the manner provided herein;

- (xi) to make payment to itself, the Trustee and others pursuant to any provision of this Agreement;
- (xii) to withdraw funds deposited in error in the Collection Account;
- (xiii) to clear and terminate the Collection Account pursuant to Section 7.02;
- (xiv) to reimburse the Trustee, and a successor master servicer (solely in its capacity as successor master servicer), for any fee or advance occasioned by a termination of the Master Servicer, and the assumption of such duties by the Trustee or a successor master servicer appointed by the Trustee pursuant to Section 6.14, in each case to the extent not reimbursed by the terminated Master Servicer, it being understood, in the case of any such reimbursement or payment, that the right of the Master Servicer or the Trustee or other successor master servicer thereto shall be prior to the rights of the Certificateholders; and
- (xv) to reimburse any Servicer for such amounts as are due thereto under the applicable Servicing Agreement and have not been retained by or paid to such Servicer, to the extent provided in such Servicing Agreement.

In the event that the Master Servicer fails on any Master Servicer Remittance Date to remit to the Trustee any amounts required to be so remitted to the Trustee pursuant to sub-clause (x) by such date, the Master Servicer shall pay the Trustee, interest calculated at the “prime rate” (as published in the “Money Rates” section of *The Wall Street Journal*) on such amounts not timely remitted for the period from and including that Master Servicer Remittance Date through the date such funds are remitted to and received by the Trustee. The Master Servicer shall only be required to pay the Trustee interest for the actual number of days such amounts are not timely remitted ( *e.g.* , one day’s interest, if such amounts are remitted one day after the Master Servicer Remittance Date).

In connection with withdrawals made pursuant to subclauses (i), (iii), (iv), (vi) and (vii) above, the Master Servicer’s, any Servicer’s or such other Person’s entitlement thereto is limited to collections or other recoveries on the related Mortgage Loan. The Master Servicer shall therefore keep and maintain a separate accounting for each Mortgage Loan it master services for the purpose of justifying any withdrawal made from the Collection Account it maintains pursuant to such subclause (i), (iii), (iv), (vi) and (vii).

Section 4.03. Reports to Certificateholders.

(a) On each Distribution Date, the Trustee shall have prepared (based solely on information provided by the Master Servicer and the Swap Counterparty) and shall make available to the Paying Agent, any NIMS Insurer, the Swap Counterparty, the Credit Risk Manager, the Seller and each Certificateholder a report (the “Distribution Date Statement”) setting forth the following information (on the basis of Mortgage Loan level information obtained from the Master Servicer):

- (i) the aggregate amount of the distribution to be made on such Distribution Date to the Holders of each Class of Certificates, to the extent applicable, allocable to principal on the Mortgage Loans, including Liquidation Proceeds and Insurance Proceeds, stating separately the amount attributable to scheduled principal payments and unscheduled payments in the nature of principal;
- (ii) the aggregate amount of the distribution to be made on such Distribution Date to the Holders of each Class of Certificates allocable to interest and the calculation thereof;
- (iii) the amount, if any, of any distribution to the Holders of the Class P Certificate, the Class X Certificates, the Class LT-R Certificates, and the Residual Certificate;
- (iv) (A) the aggregate amount of any Advances required to be made with respect to the related Collection Period by or on behalf of the Servicers (or the Master Servicer), (B) the aggregate amount of such Advances actually made, and (C) the amount, if any, by which (A) above exceeds (B) above;
- (v) by Mortgage Pool and in the aggregate, the total number of Mortgage Loans, the aggregate Scheduled Principal Balance of all the Mortgage Loans as of the close of business on the last day of the related Collection Period, after giving effect to payments allocated to principal reported under clause (i) above;
- (vi) the Class Principal Amount of each Class of Certificates, to the extent applicable, as of such Distribution Date after giving effect to payments allocated to principal reported under clause (i) above, separately identifying any reduction of any of the foregoing Certificate Principal Amounts due to Applied Loss Amounts;
- (vii) the amount of any Prepayment Premiums distributed to the Class P Certificates;
- (viii) by Mortgage Pool and in the aggregate, the amount of any Realized Losses incurred with respect to the Mortgage Loans (x) in the applicable Prepayment Period and (y) in the aggregate since the Cut-off Date;
- (ix) the amount of the Servicing Fees and Credit Risk Manager's Fees and PMI Insurance Premiums paid during the Collection Period to which such distribution relates;
- (x) by Mortgage Pool and in the aggregate, the number and aggregate outstanding principal balance of Mortgage Loans, as reported to the Trustee by the Master Servicer, (a) remaining outstanding, (b) Delinquent 30 to 59 days on a contractual basis, (c) Delinquent 60 to 89 days on a contractual basis, (d) Delinquent 90 or more days on a contractual basis, (e) as to which foreclosure proceedings have been commenced, all as of the close of business on the last Business Day of the calendar month immediately preceding the month in which such Distribution Date occurs, (f) in bankruptcy and (g) that are REO Properties (the information in this item (x) to be calculated utilizing the OTS delinquency method);



- (xi) the aggregate Scheduled Principal Balance of any Mortgage Loans with respect to which the related Mortgaged Property became a REO Property as of the close of business on the last Business Day of the calendar month immediately preceding the month in which such Distribution Date occurs;
- (xii) with respect to substitution of Mortgage Loans in the preceding calendar month, the Scheduled Principal Balance of each Deleted Mortgage Loan, and of each Qualifying Substitute Mortgage Loan;
- (xiii) the aggregate outstanding Carryforward Interest, Net Prepayment Interest Shortfalls, Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls, if any, for each Class of Certificates, after giving effect to the distribution made on such Distribution Date;
- (xiv) the Certificate Interest Rate applicable to such Distribution Date with respect to each Class of Certificates;
- (xv) with respect to each Mortgage Pool, the Interest Remittance Amount and the Principal Remittance Amount applicable to such Distribution Date;
- (xvi) if applicable, the amount of any shortfall ( *i.e.* , the difference between the aggregate amounts of principal and interest which Certificateholders would have received if there were sufficient available amounts in the Certificate Account and the amounts actually distributed);
- (xvii) the amount of any Overcollateralization Deficiency after giving effect to the distributions made in such Distribution Date;
- (xviii) the level of LIBOR for such Distribution Date;
- (xix) [Reserved];
- (xx) the amount of any payments made by the Cap Counterparty to the Supplemental Interest Trust pursuant to Section 5.07(e).
- (xxi) the amount of any Net Swap Payment to the Supplemental Interest Trust made pursuant to Section 5.07, any Net Swap Payment to the Swap Counterparty made pursuant to Section 5.07, any Swap Termination Payment to the Supplemental Interest Trust made pursuant to Sections 5.07 and any Swap Termination Payment to the Swap Counterparty made pursuant to Section 5.07; and
- (xxii) the amount of any PPTL Premiums and FPD Premiums, if any, for such Distribution Date.

In addition to the information listed above, for every year in which the Depositor is subject to Exchange Act reporting with respect to the Certificates, such Distribution Date Statement shall also include such other information as is required by Item 1121 (§ 229.1121) of Regulation AB to the extent that the Trustee shall have received any such information from the Depositor, the Sponsor, the Master Servicer, the Servicers, the Custodians, the Swap Counterparty or any Subservicer or Subcontractor therefor, as applicable, no later than four Business Days prior to the Distribution Date.

In the case of information furnished pursuant to subclauses (i), (ii) and (vi) above, the amounts shall also (except in the case of the report delivered to the holder of the Class X Certificates) be expressed as a dollar amount per \$1,000 of original principal amount of Certificates.

On any Distribution Date after the occurrence of a Section 7.01(c) Purchase Event, the information required by subclauses (i), (iii), (iv), (v), (vii), (viii), (ix), (x), (xi), (xii), (xv), (xvii), (xviii), (xx) and (xxi) shall be made available to the Trustee, NIMS Insurer, the Swap Counterparty, the Credit Risk Manager, the Seller, the holder of the Class LT-R Certificate and the LTURI-holder with regard to the Lower Tier REMIC 1 Uncertificated Regular Interests in lieu of the Certificates.

The Trustee shall make such report and any additional loan level information (and, at its option, any additional files containing the same information in an alternative format) available each month to any NIMS Insurer, Certificateholders and the Rating Agencies via the Trustee's internet website. The Trustee's internet website shall initially be located at "[www.ctslink.com](http://www.ctslink.com)." Assistance in using the website can be obtained by calling the Trustee's customer service desk at 1-301-815-6600. Such parties that are unable to use the website are entitled to have a paper copy mailed to them via first class mail by calling the customer service desk and indicating such. The Trustee shall have the right to change the way such statements are distributed in order to make such distribution more convenient and/or more accessible to the above parties and the Trustee shall provide timely and adequate notification to all above parties regarding any such changes.

The foregoing information and reports shall be prepared and determined by the Trustee based solely on Mortgage Loan data provided to the Trustee by the Master Servicer (in a format attached hereto as Exhibits I and J) no later than 2:00 p.m. Eastern Time four Business Days prior to the Distribution Date (or such other time period set forth in Section 9.23(b)), and on the information provided to the Trustee by the Swap Counterparty and the Cap Counterparty. In preparing or furnishing the foregoing information to the Certificateholders and any NIMS Insurer, the Trustee shall be entitled to rely conclusively on the accuracy and completeness of the information or data (i) regarding the Mortgage Loans (including any First Payment Default Mortgage Loan) and the related REO Property, that has been provided to the Trustee by the Master Servicer based upon information received by the Master Servicer from the Servicers, (ii) regarding the Swap Agreement, that has been provided to the Trustee by the Swap Counterparty and (iii) regarding the Interest Rate Cap Agreement, that has been provided to the Trustee by the Cap Counterparty, and the Trustee shall not be obligated to verify, recompute, reconcile or recalculate any such information or data. The Master Servicer shall be entitled to conclusively rely on the Mortgage Loan data provided by the Servicers and shall have no liability for any errors in such Mortgage Loan data. The Trustee shall be entitled to conclusively rely on the Mortgage Loan data provided by the Master Servicer and shall have no liability for any errors or omissions in such Mortgage Loan data. The information and reports described in the first paragraph of this Section 4.03(a) shall be provided to the Paying Agent (if other than the Trustee) by the Trustee no later than 12:00 p.m. Eastern Time two Business Days prior to the Distribution Date. Concurrently with the distribution by the Master Servicer of the Mortgage Loan data to the Trustee, the Master Servicer shall also provide a copy of such Mortgage Loan data to the Credit Risk Manager no later than 2:00 p.m. Eastern Time four Business Days prior to the Distribution Date.

(b) Upon the reasonable advance written request of any NIMS Insurer or any Certificateholder that is a savings and loan, bank or insurance company, which request, if received by the Trustee, shall be promptly forwarded to the Master Servicer, the Master Servicer shall provide, or cause to be provided, (or, to the extent that such information or documentation is not required to be provided by a Servicer under the applicable Servicing Agreement, shall use reasonable efforts to obtain such information and documentation from such Servicer, and provide) to any NIMS Insurer and such Certificateholder such reports and access to information and documentation regarding the Mortgage Loans as any NIMS Insurer or such Certificateholder may reasonably deem necessary to comply with applicable regulations of the Office of Thrift Supervision or its successor or other regulatory authorities with respect to an investment in the Certificates; *provided, however*, that the Master Servicer shall be entitled to be reimbursed by such Certificateholder or the NIMS Insurer for the actual expenses incurred in providing such reports and access.

(c) Upon request of a Certificateholder and prior to a Section 7.01(c) Purchase Event, the Trustee shall have prepared and the Trustee shall make available to any NIMS Insurer and each Person who at any time during the calendar year was a Certificateholder of record, and make available to Certificate Owners (identified as such by the Clearing Agency) in accordance with applicable regulations, a report summarizing the items provided to any NIMS Insurer and the Certificateholders pursuant to Sections 4.03(a)(i) and 4.03(a)(ii) on an annual basis as may be required to enable any NIMS Insurer and such Holders to prepare their federal income tax returns; *provided, however*, that this Section 4.03(c) shall not be applicable where relevant reports or summaries are required elsewhere in this Agreement. Such information shall also include the amount of original issue discount accrued on each Class of Certificates and information regarding the expenses of the Trust Fund. The Trustee shall be deemed to have satisfied this requirement if it forwards such information in any other format permitted by the Code. The Master Servicer shall provide the Trustee with such information (to the extent available to the Master Servicer pursuant to this Agreement and each Servicing Agreement) as is necessary for the Trustee to prepare such reports (and the Trustee may rely solely upon such information).

(d) The Trustee shall furnish, to the extent reasonably available, any other information that is required by the Code and regulations thereunder to be made available to Certificateholders. The Master Servicer shall provide the Trustee, to the extent reasonably available, such information as is necessary for the Trustee to prepare such reports (and the Trustee may rely solely upon such information).

(e) So long as not prohibited by applicable law, the Master Servicer shall provide to the Depositor or to any party designated by the Depositor, as promptly as practicable upon the Depositor's request, any and all loan-level information that the Depositor may request in any format reasonably requested by the Depositor.

Section 4.04. Certificate Account.

(a) The Trustee shall establish and maintain in its name, as trustee, a trust account (the “Certificate Account”) entitled “Certificate Account, Wells Fargo Bank, N.A., as Trustee, in trust for the benefit of the Holders of Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1” until disbursed pursuant to the terms of this Agreement. The Certificate Account shall be an Eligible Account and shall be for the benefit of the Certificateholders, subject to the rights of the Trustee set forth herein. If the existing Certificate Account ceases to be an Eligible Account, the Trustee shall establish a new Certificate Account that is an Eligible Account within ten Business Days and transfer all funds and investment property on deposit in such existing Certificate Account into such new Certificate Account. The Certificate Account shall relate solely to the Certificates and the Lower Tier REMIC 1 Uncertificated Regular Interests issued hereunder and funds in the Certificate Account shall be held separate and apart from and shall not be commingled with any other monies including, without limitation, other monies of the Trustee held under this Agreement.

(b) The Trustee shall deposit or cause to be deposited into the Certificate Account, on the day on which, or if such day is not a Business Day, the Business Day immediately following the day on which, any monies are remitted by the Master Servicer to the Trustee, all such amounts. The Trustee shall make withdrawals from the Certificate Account only for the following purposes:

(i) to make payment to itself pursuant to any provision of this Agreement or to reimburse itself for any fees or expenses reimbursable to it pursuant to Section 6.12; *provided, however*, that any amounts in excess of the annual cap described in clause (b) of the definition of “Interest Remittance Amount” and clause (b) of the definition of “Principal Remittance Amount” in any Anniversary Year, other than costs and expenses incurred by the Trustee pursuant to Section 6.14, in connection with any transfer of servicing, shall not be withdrawn from the Certificate Account and paid to the Trustee and the Trustee’s reimbursement for such excess amounts shall be made pursuant to Section 5.02(b)(v);

(ii) to withdraw amounts deposited in the Certificate Account in error;

(iii) to make payments of any investment income or earnings on the Certificate Account to (A) Deutsche Bank National Trust Company and Wells Fargo, in their respective capacities as Custodians, in payment of their respective Custodial Compensation, if due and (B) then any remaining amounts of investment income or earnings to itself;

(iv) to make distributions to Certificateholders pursuant to Article V; and

(v) to clear and terminate the Certificate Account pursuant to Section 7.02.

(c) Funds in the Certificate Account may be invested by the Trustee in Eligible Investments (which may be obligations of the Trustee or its affiliates). If invested, all such investments must be payable on demand or mature no later than one Business Day prior to the next Distribution Date, and shall not be sold or disposed of prior to their maturity. All such Eligible Investments will be made in the name of the Trustee (in its capacity as such) or its nominee. All income and gain realized from any such investment for each Distribution Date shall be compensation (1) to Wells Fargo and Deutsche Bank National Trust Company in their respective capacities as Custodians, in payment of their respective Custodial Compensation, if due, and (2) to the Trustee, any income and gain remaining. Subject to the preceding sentence, all income and gain realized from any such investment for each Distribution Date shall be subject to withdrawal by the Trustee from time to time. The amount of any losses incurred in respect of any such investments shall be paid by the Trustee for deposit in the Certificate Account out of its own funds, without any right of reimbursement therefor, immediately as realized.

Section 4.05. [Reserved].

ARTICLE V

DISTRIBUTIONS TO HOLDERS OF CERTIFICATES

Section 5.01. Distributions Generally.

(a) Subject to Section 7.01 respecting the final distribution on the Certificates or Lower Tier REMIC 1 Uncertificated Regular Interests, on each Distribution Date the Trustee or the Paying Agent shall make allocations and/or distributions in accordance with the Preliminary Statement and this Article V and based solely on the reports for such Distribution Date provided to it by the Master Servicer pursuant to Section 4.03(a). Such distributions shall be made by wire transfer in immediately available funds to an account specified in writing to the Trustee at least five (5) Business Days prior to the first Distribution Date to such Certificateholder and at the expense of such Certificateholder.

(b) The final distribution in respect of any Certificate shall be made only upon presentation and surrender of such Certificate at the Corporate Trust Office; *provided, however*, that the foregoing provisions shall not apply to any Class of Certificates as long as such Certificate remains a Book-Entry Certificate in which case all payments made shall be made through the Clearing Agency and its Clearing Agency Participants. Notwithstanding such final payment of principal of any of the Certificates, each Residual Certificate will remain outstanding until the termination of each REMIC and the payment in full of all other amounts due with respect to the Residual Certificates and at such time such final payment in retirement of any Residual Certificate will be made only upon presentation and surrender of such Certificate at the Corporate Trust Office. If any payment required to be made on the Certificates or Lower Tier REMIC 1 Uncertificated Regular Interests is to be made on a day that is not a Business Day, then such payment will be made on the next succeeding Business Day.

(c) All distributions or allocations made with respect to Certificateholders within each Class on each Distribution Date shall be allocated among the outstanding Certificates in such Class equally in proportion to their respective initial Class Principal Amounts (or Percentage Interests).

(d) The Trustee or the Paying Agent, as applicable, shall make payments to Certificateholders and to the Swap Counterparty and any other person pursuant to this Article V and make deposits to the Supplemental Interest Trust and accounts held by it hereunder based solely on the information set forth in the monthly report furnished by the Master Servicer in accordance with Section 4.03(a), and shall be entitled to conclusively rely on such information and reports, and on the calculations contained therein, when making distributions to Certificateholders, the Swap Counterparty and any other party hereunder. The Trustee shall have no liability for any errors in such reports or information, and shall not be required to verify, recompute, reconcile or recalculate any such information or data.

Section 5.02. Distributions from the Certificate Account.

(a) On each Distribution Date on or prior to a Section 7.01(c) Purchase Event or a Trust Fund Termination Event, the Trustee (or the Paying Agent on behalf of the Trustee) shall withdraw from the Certificate Account the Total Distribution Amount (to the extent such amount is on deposit in the Certificate Account), and amounts that are available for payment to the Swap Counterparty, and shall allocate such amount to the interests issued in respect of each REMIC created pursuant to this Agreement and shall distribute such amount as specified in subparagraphs (b) through (i) of this Section 5.02; *provided*, that amounts that are available for payment to the Swap Counterparty shall be paid on the related Swap Payment Date. On each Distribution Date after a Section 7.01(c) Purchase Event but on or prior to a Trust Fund Termination Event, the Trustee (or the Paying Agent acting on behalf of the Trustee) shall withdraw from the Certificate Account the Total Distribution Amount (to the extent such amount is on deposit in the Certificate Account), and amounts that are available for payment to the Swap Counterparty, and shall allocate such amount to the interests issued in respect of REMIC 1 created pursuant to this Agreement and shall distribute such amount as specified in subparagraphs (j) through (l) of this Section; *provided*, that amounts that are available for payment to the Swap Counterparty shall be paid on the related Swap Payment Date.

(b) On each Distribution Date (or, with respect to clauses (i) and (ii) below, on the related Swap Payment Date), the Trustee shall distribute the Interest Remittance Amount for Pool 1 and for such date in the following order of priority:

(i) for deposit into the Swap Account, an amount equal to the lesser of (x) the product of (A) the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date and (B) the Pool Percentage for Pool 1 for such Distribution Date and (y) the Interest Remittance Amount for Pool 1 for such Distribution Date;

(ii) for deposit into the Swap Account, the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date (after giving effect to distributions made pursuant to clause 5.02(b)(i) above and subsection 5.02(c)(i) below for such Distribution Date), to be paid concurrently and in proportion to the Interest Remittance Amount available with respect to Pool 2 for such Distribution Date;

(iii) concurrently, on a *pro rata* basis, to each class of the Group 1 Senior Certificates, Current Interest and any Carryforward Interest for each such Class and such Distribution Date; *provided, however*, that any shortfall in Current Interest and Carryforward Interest shall be allocated among such Classes in proportion to the amount of Current Interest and Carryforward Interest that would otherwise be distributable thereon; and

(iv) for application pursuant to Section 5.02(d) below, any Interest Remittance Amount for Pool 1 remaining undistributed after application pursuant to clause (i) through (iii) of this Section 5.02(b) for such Distribution Date.

(c) On each Distribution Date (or with respect to clauses (i) and (ii) below, on the related Swap Payment Date), the Trustee shall distribute the Interest Remittance Amount for Pool 2 for such date in the following order of priority:

(i) for deposit into the Swap Account, an amount equal to the lesser of (x) the product of (A) the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date and (B) the Pool Percentage for Pool 2 for such Distribution Date and (y) the Interest Remittance Amount for Pool 2 for such Distribution Date;

(ii) for deposit into the Swap Account, the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date (after giving effect to distributions made pursuant to subsections 5.02(b)(i) and 5.02(c)(i) above for such Distribution Date) to be paid concurrently and in proportion to the Interest Remittance Amount available with respect to Pool 1 for such Distribution Date;

(iii) concurrently, to each Class of the Group 2 Senior Certificates, Current Interest and any Carryforward Interest for each such Class and such Distribution Date; *provided, however*, that any shortfall in Current Interest and Carryforward Interest shall be allocated among such Classes in proportion to the amount of Current Interest and Carryforward Interest that would otherwise be distributable thereon; and

(iv) for application pursuant to Section 5.02(d) below, any Interest Remittance Amount for Pool 2 remaining undistributed after application pursuant to clauses (i) through (iii) of this Section 5.02(c) for such Distribution Date.

(d) On each Distribution Date, the Trustee shall distribute the aggregate of any remaining Interest Remittance Amounts from subsections 5.02(b)(iv) and 5.02(c)(iv) above in the following order of priority:

(i) concurrently, on a *pro rata* basis, to each Class of Senior Certificates, Current Interest and any Carryforward Interest (taking into account distributions pursuant to subsections 5.02(b)(iii) and 5.02(c)(iii) above) for each such Class and such Distribution Date; *provided, however*, that any shortfall in Current Interest and Carryforward Interest shall be allocated among such Classes in proportion to the amount of Current Interest and Carryforward Interest that would otherwise be distributable thereon;

(ii) to each Class of Subordinate Certificates, in accordance with the Subordinate Priority, Current Interest and any Carryforward Interest for each such Class and such Distribution Date;

(iii) to the Credit Risk Manager, the Credit Risk Manager's Fee;

(iv) to the Trustee, any amounts reimbursable pursuant to Section 4.04(b)(i) and not previously reimbursed to the Trustee; and

(v) for application as part of Monthly Excess Cashflow for such Distribution Date, as provided in subsection (f) of this Section, any Interest Remittance Amount remaining undistributed for such Distribution Date.

(e) On each Distribution Date or related Swap Payment Date, as applicable, the Trustee shall distribute the Principal Distribution Amount with respect to each Mortgage Pool for such date as follows:

(i) On each Distribution Date (or, with respect to clauses (A)(1), (A)(2), (B)(1) and (B)(2) below of this Section 5.02 (e), on the related Swap Payment Date) (a) prior to the Stepdown Date or (b) with respect to which a Trigger Event is in effect, until the aggregate Certificate Principal Amount of the LIBOR Certificates equals the Target Amount for such Distribution Date, the Trustee shall make the following distributions, concurrently:

(A) *For Pool 1:* The Principal Distribution Amount for Pool 1 will be distributed in the following order of priority:

(1) for deposit into the Swap Account, an amount equal to the lesser of (x) the product of (A) the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date (to the extent not paid previously or from the Interest Remittance Amount for such Distribution Date) and (B) the Pool Percentage for Pool 1 for such Distribution Date and (y) the Principal Remittance Amount for Pool 1 for such Distribution Date;

(2) for deposit into the Swap Account, the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date (after giving effect to distributions made pursuant to subsections 5.02(e)(i)(A)(1) above and 5.02(e)(i)(B)(1) below, and to the extent not paid previously or from the Interest Remittance Amount for such Distribution Date), to be paid concurrently and in proportion to the related Principal Distribution Amount available with respect to Pool 2 for such Distribution Date;



(3) to the Class A1 and Class A6 Certificates, *pro rata*, in proportion to their outstanding Class Principal Amounts, until the Class Principal Amount of each such Class has been reduced to zero; and

(4) for application pursuant to subsection 5.02(e)(ii) below, any such Principal Distribution Amount for Pool 1 remaining undistributed for such Distribution Date.

(B) *For Pool 2:* The Principal Distribution Amount for Pool 2 will be distributed in the following order of priority:

(1) for deposit into the Swap Account, an amount equal to the lesser of (x) the product of (A) the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date (to the extent not paid previously or from the Interest Remittance Amount for such Distribution Date) and (B) the Pool Percentage for Pool 2 for such Distribution Date and (y) the Principal Remittance Amount for Pool 2 for such Distribution Date;

(2) for deposit into the Swap Account, the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date (after giving effect to distributions made pursuant to subsections 5.02(e)(i)(A)(1) and 5.02(e)(i)(B)(1) above, and to the extent not paid previously or from the Interest Remittance Amount for such Distribution Date) to be paid concurrently and in proportion to the related Principal Distribution Amount available with respect to Pool 1 for such Distribution Date;

(3) sequentially, to the Class A2, Class A3, Class A4 and Class A5 Certificates, in that order, until the Class Principal Amount of each such Class has been reduced to zero; and

(4) for application pursuant to subsection 5.02(e)(ii) below, any such Principal Distribution Amount for Pool 2 remaining undistributed for such Distribution Date.

(ii) On each Distribution Date, the Trustee shall distribute the aggregate of any remaining Principal Distribution Amounts from subsections 5.02(e)(i)(A)(4) and 5.02(e)(i)(B)(4) above, in the following order of priority:

(A) concurrently, on a *pro rata* basis, in proportion to the aggregate Class Principal Amount of the Group 1 Senior Certificates and the Group 2 Senior Certificates related to each such Group, after giving effect to principal distributions on such Distribution Date pursuant to subsections 5.02(e)(i)(A)(3) and 5.02(e)(i)(B)(3) above, to the Group 1 Senior Certificates and the Group 2 Senior Certificates, in each case in accordance with the Related Senior Priority, until the Class Principal Amount of each such Class has been reduced to zero;

(B) to each Class of Subordinate Certificates, in accordance with the Subordinate Priority, until the Class Principal Amount of each such Class has been reduced to zero; and

(C) for application as part of Monthly Excess Cashflow for such Distribution Date, as provided in subsection (f) of this Section, any Principal Distribution Amount remaining after application pursuant to clauses (A) and (B) of this Section 5.02(e)(ii).

(iii) Any Principal Distribution Amount remaining on any Distribution Date after the Target Amount is achieved will be applied as part of Monthly Excess Cashflow for such Distribution Date as provided in subsection (f) of this Section.

(iv) On each Distribution Date (or, with respect to clauses (A) and (B) below, on the related Swap Payment Date) (a) on or after the Stepdown Date and (b) with respect to which a Trigger Event is not in effect, the Principal Distribution Amount for each Mortgage Pool for such date will be distributed in the following order of priority:

(A) for deposit into the Swap Account, an amount equal to the lesser of (x) the product of (1) the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date (to the extent not paid previously or from the Interest Remittance Amount for such Distribution Date) and (2) the Pool Percentage for the related Mortgage Pool for such Distribution Date and (y) the Principal Remittance Amount for such Mortgage Pool for such Distribution Date;

(B) for deposit into the Swap Account, the amount of any Net Swap Payment or Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty on the related Swap Payment Date (after giving effect to distributions made pursuant to subsection 5.02(e)(iv)(A) above, and to the extent not paid previously or from the Interest Remittance Amounts for such Distribution Date), to be paid concurrently and in proportion to the related Principal Distribution Amounts available with respect to each Mortgage Pool for such Distribution Date);

(C) so long as any of the Subordinate Certificates are outstanding, to the Group 1 Senior Certificates (from amounts generated by Pool 1, except as provided below) and to the Group 2 Senior Certificates in accordance with the Related Senior Priority (from amounts generated by Pool 2, except as provided below) in each case, an amount equal to the lesser of (x) the excess of (a) the Principal Distribution Amount for the related Mortgage Pool for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account on the related Swap Payment Date pursuant to clauses (A) and (B) above and (y) the Related Senior Principal Distribution Amount for such Mortgage Pool for such Distribution Date, in each case, until the Class Principal Amount of each such Class has been reduced to zero; *provided, however*, to the extent that the Principal Distribution Amount for a Mortgage Pool exceeds the Related Senior Principal Distribution Amount for such Mortgage Pool, such excess shall be applied to the Senior Certificates related to the other Mortgage Pool (in accordance with the Related Senior Priority), but in an amount not to exceed the Senior Principal Distribution Amount for such Distribution Date (as reduced by any distributions pursuant to subclauses (x) or (y) of this clause (1) on such Distribution Date); or (2) if none of the Subordinate Certificates are outstanding, to the Group 1 Senior Certificates and the Group 2 Senior Certificates (in each case in accordance with the Related Senior Priority), the excess of (A) the Principal Distribution Amount for the related Mortgage Pool for such Distribution Date over (B) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account for the related Mortgage Pool on the related Swap Payment Date pursuant to clauses (A) and (B) above, in each case until the Class Principal Amount of each such Class has been reduced to zero;

(D) to the Class M1, Class M2 and Class M3 Certificates, sequentially and in that order, an amount equal to the lesser of (x) the excess of (a) the aggregate of the Principal Distribution Amounts for Pool 1 and Pool 2 for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account or distributed to the Senior Certificates on such date pursuant to clauses (A) through (C) above, and (y) the M3 Principal Distribution Amount for such date, until the Class Principal Amount of each such Class has been reduced to zero;

(E) to the Class M4 Certificates, an amount equal to the lesser of (x) the excess of (a) the aggregate of the Principal Distribution Amounts for Pool 1 and Pool 2 for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account or distributed to the Senior Certificates and the Class M1, Class M2 and Class M3 Certificates on such date pursuant to clauses (A) through (D) above, and (y) the M4 Principal Distribution Amount for such date, until the Class Principal Amount of such Class has been reduced to zero;

(F) to the Class M5 Certificates, an amount equal to the lesser of (x) the excess of (a) the aggregate of the Principal Distribution Amounts for Pool 1 and Pool 2 for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account or distributed to the Senior Certificates and the Class M1, Class M2, Class M3 and Class M4 Certificates on such date pursuant to clauses (A) through (E) above, and (y) the M5 Principal Distribution Amount for such date, until the Class Principal Amount of such Class has been reduced to zero;

(G) to the Class M6 Certificates, an amount equal to the lesser of (x) the excess of (a) the aggregate of the Principal Distribution Amounts for Pool 1 and Pool 2 for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account or distributed to the Senior Certificates and the Class M1, Class M2, Class M3, Class M4 and Class M5 Certificates on such date pursuant to clauses (A) through (F) above, and (y) the M6 Principal Distribution Amount for such date, until the Class Principal Amount of such Class has been reduced to zero;

(H) to the Class M7 Certificates, an amount equal to the lesser of (x) the excess of (a) the aggregate of the Principal Distribution Amounts for Pool 1 and Pool 2 for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account or distributed to the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5 and Class M6 Certificates on such date pursuant to clauses (A) through (G) above, and (y) the M7 Principal Distribution Amount for such date, until the Class Principal Amount of such Class has been reduced to zero;

(I) to the Class M8 Certificates, an amount equal to the lesser of (x) the excess of (a) the aggregate of the Principal Distribution Amounts for Pool 1 and Pool 2 for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account or distributed to the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6 and Class M7 Certificates on such date pursuant to clauses (A) through (H) above, and (y) the M8 Principal Distribution Amount for such date, until the Class Principal Amount of such Class has been reduced to zero;

(J) to the Class M9 Certificates, an amount equal to the lesser of (x) the excess of (a) the aggregate of the Principal Distribution Amounts for Pool 1 and Pool 2 for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account or distributed to the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7 and Class M8 Certificates on such date pursuant to clauses (A) through (I) above, and (y) the M9 Principal Distribution Amount for such date, until the Class Principal Amount of such Class has been reduced to zero;

(K) to the Class B1 Certificates, an amount equal to the lesser of (x) the excess of (a) the aggregate of the Principal Distribution Amounts for Pool 1 and Pool 2 for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account or distributed to the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8 and Class M9 Certificates on such date pursuant to clauses (A) through (J) above, and (y) the B1 Principal Distribution Amount for such date, until the Class Principal Amount of such Class has been reduced to zero;

(L) to the Class B2 Certificates, an amount equal to the lesser of (x) the excess of (a) the aggregate of the Principal Distribution Amounts for Pool 1 and Pool 2 for such Distribution Date over (b) the amount paid to the Supplemental Interest Trust for deposit into the Swap Account or distributed to the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8, Class M9 and Class B1 Certificates on such date pursuant to clauses (A) through (K) above, and (y) the B2 Principal Distribution Amount for such date, until the Class Principal Amount of such Class has been reduced to zero; and

(M) for application as part of Monthly Excess Cashflow for such Distribution Date, as provided in Section 5.02(f), any Principal Distribution Amount remaining after application pursuant to clauses (A) through (L) above.

(f) On each Distribution Date, the Trustee shall distribute the Monthly Excess Cashflow for such date in the following order of priority:

(i) for each Distribution Date occurring (a) before the Stepdown Date or (b) on or after the Stepdown Date but for which a Trigger Event is in effect, then until the aggregate Certificate Principal Amount of the LIBOR Certificates equals the Target Amount for such Distribution Date, in the following order of priority:

(A) concurrently, to the Group 1 Senior Certificates and the Group 2 Senior Certificates, in proportion to the aggregate Class Principal Amount of the Senior Certificates related to each Group, after giving effect to previous principal distributions on such Distribution Date pursuant to subsection 5.02(e)(ii)(A) above, to the Group 1 Senior Certificates and the Group 2 Senior Certificates, in each case in accordance with the Related Senior Priority, in reduction of their respective Class Principal Amounts, until the Class Principal Amount of each such Class has been reduced to zero; and

(B) to each Class of Subordinate Certificates, in accordance with the Subordinate Priority, in reduction of their respective Class Principal Amounts, until the Class Principal Amount of each such Class has been reduced to zero.

(ii) for each Distribution Date occurring on or after the Stepdown Date and for which a Trigger Event is not in effect, in the following order of priority:

(A) concurrently, to the Group 1 Senior Certificates and the Group 2 Senior Certificates, in proportion to the aggregate Class Principal Amount of the Senior Certificates related to each such Group, after giving effect to previous principal distributions on such Distribution Date pursuant to subsection 5.02(e)(iv)(C) above, to the Group 1 Senior Certificates and the Group 2 Senior Certificates, in each case in accordance with the Related Senior Priority, in reduction of their respective Class Principal Amounts, until the aggregate Class Principal Amount of each such Class, after giving effect to distributions on such Distribution Date, equals the Senior Target Amount;

(B) to the Class M1, Class M2 and Class M3 Certificates, sequentially and in that order, in reduction of their Class Principal Amount, until the aggregate of the Class Principal Amounts of such Classes and the Senior Certificates, after giving effect to distributions on such Distribution Date, equals the M3 Target Amount;

(C) to the Class M4 Certificates, in reduction of their Class Principal Amount, until the aggregate of the Class Principal Amounts of such Class, the Senior Certificates and the Class M1, Class M2 and Class M3 Certificates, after giving effect to distributions on such Distribution Date, equals the M4 Target Amount;

(D) to the Class M5 Certificates, in reduction of their Class Principal Amount, until the aggregate of the Class Principal Amounts of such Class, the Senior Certificates and the Class M1, Class M2, Class M3 and Class M4 Certificates, after giving effect to distributions on such Distribution Date, equals the M5 Target Amount;

(E) to the Class M6 Certificates, in reduction of their Class Principal Amount, until the aggregate of the Class Principal Amounts of such Class, the Senior Certificates and the Class M1, Class M2, Class M3, Class M4 and Class M5 Certificates, after giving effect to distributions on such Distribution Date, equals the M6 Target Amount;

(F) to the Class M7 Certificates, in reduction of their Class Principal Amount, until the aggregate of the Class Principal Amounts of such Class and the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5 and Class M6 Certificates, after giving effect to distributions on such Distribution Date, equals the M7 Target Amount;

(G) to the Class M8 Certificates, in reduction of their Class Principal Amount, until the aggregate of the Class Principal Amounts of such Class, the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6 and Class M7 Certificates, after giving effect to distributions on such Distribution Date, equals the M8 Target Amount;

(H) to the Class M9 Certificates, in reduction of their Class Principal Amount, until the aggregate of the Class Principal Amounts of such Class, the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7 and Class M8 Certificates, after giving effect to distributions on such Distribution Date, equals the M9 Target Amount;

(I) to the Class B1 Certificates, in reduction of their Class Principal Amount, until the aggregate of the Class Principal Amounts of such Class and the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8 and Class M9 Certificates, after giving effect to distributions on such Distribution Date, equals the B1 Target Amount; and

(J) to the Class B2 Certificates, in reduction of their Class Principal Amount, until the aggregate of the Class Principal Amounts of such Class and the Senior Certificates and the Class M1, Class M2, Class M3, Class M4, Class M5, Class M6, Class M7, Class M8, Class M9 and Class B1 Certificates, after giving effect to distributions on such Distribution Date, equals the B2 Target Amount;

(iii) to each Class of Subordinate Certificates, in accordance with the Subordinate Priority, any Deferred Amount for each such Class and such Distribution Date;

(iv) to the Basis Risk Reserve Fund, an amount equal to the Basis Risk Payment for such Distribution Date, and then from the Basis Risk Reserve Fund, in the following order of priority:

(A) concurrently, in proportion to their respective Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls, to each Class of Senior Certificates, any applicable Basis Risk Shortfall and Unpaid Basis Risk Shortfall for each such Class and such Distribution Date;

(B) to each Class of Subordinate Certificates, in accordance with the Subordinate Priority, any applicable Basis Risk Shortfall and Unpaid Basis Risk Shortfall for each such Class and such Distribution Date; and

(C) to the Swap Account, for application pursuant to Section 5.02(f)(vi), any amounts remaining in the Basis Risk Reserve Fund, after taking into account distributions pursuant to clauses (A) and (B) above, in excess of the Required Reserve Fund Deposit for such Distribution Date;

(v) on the Distribution Date occurring in January 2012 (or the next succeeding Distribution Date on which sufficient funds are available in the Certificate Account to make such distributions to the Class P Certificates), \$100 to the Class P Certificates in payment of its Class P Principal Amount;

(vi) to the Swap Account, the Class X Distributable Amount (less any Basis Risk Payment for such Distribution Date) for such Distribution Date, for application pursuant to Section 5.02(g)(x) and Section 5.02(g)(xi) below; and

(vii) to the Class LT-R Certificate, any amount remaining on such date after application pursuant to clauses (i) through (vi) above to the extent attributable to REMIC 1, and otherwise to the Class R Certificates.

(g) On each Distribution Date (or, with respect to clauses (i), (ii), (ix) and (x) below, on the related Swap Payment Date), the Trustee shall distribute the Swap Amount for such date as follows:

(i) to the Swap Counterparty, any Net Swap Payment owed to the Swap Counterparty pursuant to the Swap Agreement for such Swap Payment Date;

(ii) to the Swap Counterparty, any Swap Termination Payment (not due to a Swap Counterparty Trigger Event) owed to the Swap Counterparty pursuant to the Swap Agreement for such Swap Payment Date;

(iii) concurrently, to the Senior Certificates, Current Interest and any Carryforward Interest for each such Class and such Distribution Date, to the extent unpaid (any shortfall in Current Interest and Carryforward Interest to be allocated among such Classes in proportion to the amount of Current Interest and Carryforward Interest that would have otherwise been distributable thereon);

(iv) to the Subordinate Certificates, in accordance with the Subordinate Priority, Current Interest and any Carryforward Interest for each such Class and such Distribution Date to the extent unpaid;

(v) to the LIBOR Certificates, any amount necessary to maintain the Targeted Overcollateralization Amount as specified in Sections 5.02(f)(i) and (ii) above for such Distribution Date, for application pursuant to the priorities set forth in such Sections, after giving effect to distributions pursuant to such Sections; *provided, however*, that the sum of all such amounts distributed pursuant to this Section 5.02(g)(v) and all amounts distributed pursuant to Section 5.02(g)(vi) and Sections 5.02(h)(iii) and 5.02(h)(iv) shall not exceed the aggregate amount of cumulative Realized Losses incurred from the Cut-off Date through the last day of the related Collection Period less any amounts previously distributed pursuant to this Section 5.02(g)(v) and Section 5.02(g)(vi), together with any amounts previously distributed pursuant to Sections 5.02(h)(iii) and 5.02(h)(iv);

(vi) to the Subordinate Certificates, in accordance with the Subordinate Priority, any Deferred Amount for each such Class and such Distribution Date, to the extent unpaid; *provided, however*, that the sum of all such amounts distributed pursuant to this Section 5.02(g)(vi) and all amounts distributed pursuant to Section 5.02(g)(v) and Sections 5.02(h)(iii) and 5.02(h)(iv) shall not exceed the aggregate amount of cumulative Realized Losses incurred from the Cut-off Date through the last day of the related Collection Period less any amounts previously distributed pursuant to this Section 5.02(g)(vi) and Section 5.02(g)(v), together with any amounts previously distributed pursuant to Sections 5.02(h)(iii) and 5.02(h)(iv);

(vii) to the Senior Certificates, any Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls for each such Class for such Distribution Date, for application pursuant to the priorities set forth in Section 5.02(f)(iv)(A), to the extent unpaid;

(viii) to the Subordinate Certificates, any Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls for each such Class and for such Distribution Date, for application pursuant to the priorities set forth Section 5.02(f)(iv)(B), to the extent unpaid;

(ix) if applicable, to the Swap Termination Receipts Account for application to the purchase of a replacement swap agreement pursuant to Section 5.09;



(x) to the Swap Counterparty, any unpaid Swap Termination Payment due to a Swap Counterparty Trigger Event owed to the Swap Counterparty pursuant to the Swap Agreement;

(xi) to the Class X Certificates, any remaining amount deposited into the Swap Account pursuant to Section 5.02(f)(iv)(C) or Section 5.02(f)(vi) and any remaining Swap Amount; and

(xii) on the first Distribution Date on which the Class Principal Amount of each Class of Certificates has been reduced to zero, to the Class X Certificates, all amounts remaining in the Swap Account.

(h) On each Distribution Date, the Trustee shall distribute the Interest Rate Cap Amount for such date after making all distributions under Section 5.02(g) above as follows:

(i) concurrently, to the Senior Certificates, Current Interest and any Carryforward Interest for each such Class for such Distribution Date, to the extent unpaid pursuant to Section 5.02(g)(iii) above (any shortfall in Current Interest and Carryforward Interest to be allocated among such Classes in proportion to the amount of Current Interest and Carryforward Interest that would have otherwise been distributable thereon);

(ii) to the Subordinate Certificates, in accordance with the Subordinate Priority, Current Interest and any Carryforward Interest for such Class and such Distribution Date to the extent unpaid;

(iii) to the LIBOR Certificates, any amount necessary to maintain the Targeted Overcollateralization Amount specified in Sections 5.02(f)(i) and (ii) above for such Distribution Date, for application pursuant to the priorities set forth in such Sections; provided, however, that the sum of all such amounts distributed pursuant to this Section 5.02(h)(iii) and all amounts distributed pursuant to Section 5.02(h)(iv) and Sections 5.02(g)(v) and (vi) shall not exceed the aggregate amount of cumulative Realized Losses incurred from the Cut-off Date through the last day of the related Collection Period less any amounts previously distributed pursuant to this Section 5.02(h)(iii) and Section 5.02(h)(iv), together with any amounts previously distributed pursuant to Sections 5.02(g)(v) and (vi);

(iv) to the Subordinate Certificates, in accordance with the Subordinate Priority, any Deferred Amount for each such Class and such Distribution Date to the extent unpaid; provided, however, that the sum of all such amounts distributed pursuant to this Section 5.02(h)(iv) and all amounts distributed pursuant to Section 5.02(h)(iii) and Sections 5.02(g)(v) and (vi) shall not exceed the aggregate amount of cumulative Realized Losses incurred from the Cut-off Date through the last day of the related Collection Period less any amounts previously distributed pursuant to this Section 5.02(h)(iv) and Section 5.02(h)(iii), together with any amounts previously distributed pursuant to Sections 5.02(g)(v) and (vi);

(v) to the Senior Certificates, any Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls for each such Class and for such Distribution Date, for application pursuant to the priorities set forth in Section 5.02(f)(iv)(A), to the extent unpaid;

(vi) to the Subordinate Certificates, any Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls for each such Class and for such Distribution Date, for application pursuant to the priorities set forth in Section 5.02(f)(iv)(B), to the extent unpaid;

(vii) to the Cap Termination Receipts Account for application to the purchase of a replacement cap agreement pursuant to Section 5.09(b); and

(viii) to the Class X Certificates, any remaining Interest Rate Cap Amount.

(i) On each Distribution Date, an amount equal to the aggregate of all Prepayment Premiums collected during the preceding Prepayment Period shall be distributed to the Class P Certificates.

(j) On each Distribution Date occurring after a Section 7.01(c) Purchase Event, but on or prior to a Trust Fund Termination Event, the Trustee (or the Paying Agent on behalf of the Trustee), shall withdraw from the Certificate Account the Total Distribution Amount (to the extent such amount is on deposit in the Certificate Account) and amounts available for payment to the Swap Counterparty, and shall allocate such amount to the interests issued in respect of the Lower Tier REMIC 1 Uncertificated Regular Interests created pursuant to this Agreement and shall distribute such amount *first*, for deposit into the Swap Account, an amount equal to any Net Swap Payment or Swap Termination Payment owed to the Swap Counterparty on the related Swap Payment Date, *second*, to the Credit Risk Manager, the Credit Risk Manager's Fee, *third*, to the Trustee, any amounts reimbursable pursuant to Section 4.04(b)(i) and not previously reimbursed to the Trustee and *fourth*, to the LTURI-holder, any remaining Total Distribution Amount to the extent payable on the Lower Tier REMIC 1 Uncertificated Regular Interests as provided in the Preliminary Statement, and *fifth*, to the Class LT-R Certificates.

(k) On each Swap Payment Date occurring after a Section 7.01(c) Purchase Event but on or prior to a Trust Fund Termination Event, the Trustee shall distribute the Swap Amount for such date *first*, to the Swap Counterparty to pay any Net Swap Payment owed to the Swap Counterparty pursuant to the Swap Agreement for such Swap Payment Date; *second*, to the Swap Counterparty, to pay any Swap Termination Payment owed to the Swap Counterparty pursuant to the Swap Agreement for such Swap Payment Date, *third*, if applicable, to the Swap Termination Receipts Account, for application to the purchase of a replacement swap agreement pursuant to Section 5.09; and *fourth*, any remaining amount of Swap Amount, to the LTURI-holder.

(l) On each Distribution Date occurring after a Section 7.01(c) Purchase Event but on or prior to a Trust Fund Termination Event, the Trustee shall distribute any amounts received from the Cap Counterparty under the Interest Rate Cap Agreement for such Distribution Date *first*, to the Cap Termination Receipts Account, for application to the purchase of a replacement cap agreement pursuant to Section 5.09(b); and *second*, any remaining amount from the Cap Counterparty under the Interest Rate Cap Agreement, to the LTURI-holder.

(m) On each Distribution Date, an amount equal to the aggregate PPTL Premiums and FPD Premiums collected during the preceding Prepayment Period shall be distributed to the Class X Certificates.

Section 5.03. Allocation of Losses.

On each Distribution Date, the Class Principal Amounts of the Subordinate Certificates will be reduced by the amount of any Applied Loss Amount for such date, in the following order of priority:

- (i) to the Class B2 Certificates, until the Class Principal Amount thereof has been reduced to zero;
- (ii) to the Class B1 Certificates, until the Class Principal Amount thereof has been reduced to zero;
- (iii) to the Class M9 Certificates, until the Class Principal Amount thereof has been reduced to zero;
- (iv) to the Class M8 Certificates, until the Class Principal Amount thereof has been reduced to zero;
- (v) to the Class M7 Certificates, until the Class Principal Amount thereof has been reduced to zero;
- (vi) to the Class M6 Certificates, until the Class Principal Amount thereof has been reduced to zero;
- (vii) to the Class M5 Certificates, until the Class Principal Amount thereof has been reduced to zero;
- (viii) to the Class M4 Certificates, until the Class Principal Amount thereof has been reduced to zero;
- (ix) to the Class M3 Certificates, until the Class Principal Amount thereof has been reduced to zero;
- (x) to the Class M2 Certificates, until the Class Principal Amount thereof has been reduced to zero; and
- (xi) to the Class M1 Certificates, until the Class Principal Amount thereof has been reduced to zero.

Section 5.04. Advances by Master Servicer, Servicers and Trustee.

(a) Subject to Section 9.07, Advances shall be made in respect of each Master Servicer Remittance Date as provided herein. If, on any Determination Date, any Servicer determines that any Scheduled Payments (or in the case of Simple Interest Mortgage Loans, the amount of any scheduled interest payments) due during the related Collection Period (other than Balloon Payments) have not been received, such Servicer shall advance such amount to the extent provided in the applicable Servicing Agreement. If any Servicer fails to remit Advances required to be made under the applicable Servicing Agreement, the Master Servicer shall itself make, or shall cause the successor servicer to make, such Advance on the Master Servicer Remittance Date immediately following such Determination Date. If the Master Servicer determines that an Advance is required, it shall on the Master Servicer Remittance Date immediately following such Determination Date either (i) remit to the Trustee from its own funds (or funds advanced by the applicable Servicer) for deposit in the Certificate Account immediately available funds in an amount equal to such Advance, (ii) cause to be made an appropriate entry in the records of the Collection Account that funds in such account being held for future distribution or withdrawal have been, as permitted by this Section 5.04, used by the Master Servicer to make such Advance, and remit such immediately available funds to the Trustee for deposit in the Certificate Account or (iii) make Advances in the form of any combination of clauses (i) and (ii) aggregating the amount of such Advance. Any funds being held in the Collection Account for future distribution to Certificateholders and so used shall be replaced by the Master Servicer from its own funds by remittance to the Trustee for deposit in the Certificate Account on or before any future Master Servicer Remittance Date to the extent that funds in the Certificate Account on such Master Servicer Remittance Date shall be less than payments to Certificateholders required to be made on the related Distribution Date. The Master Servicer and each Servicer shall be entitled to be reimbursed from the Collection Account for all Advances made by it as provided in Section 4.02. Notwithstanding anything to the contrary herein, in the event the Master Servicer determines in its reasonable judgment that an Advance is non-recoverable, the Master Servicer shall be under no obligation to make such Advance.

(b) In the event that the Master Servicer or any Servicer fails for any reason to make an Advance required to be made pursuant to this Section 5.04 on or before the Master Servicer Remittance Date, the Trustee, as successor master servicer pursuant to Section 6.14, shall, on or before the related Distribution Date, deposit in the Certificate Account an amount equal to the excess of (a) Advances required to be made by the Master Servicer or the Servicers that would have been deposited in such Certificate Account over (b) the amount of any Advance made by the Master Servicer or any Servicer with respect to such Distribution Date; *provided, however*, that the Trustee shall be required to make such Advance only if it is not prohibited by law from doing so and it has determined that such Advance would be recoverable from amounts to be received with respect to such Mortgage Loan, including late payments, Liquidation Proceeds, Insurance Proceeds, or otherwise. The Trustee shall be entitled to be reimbursed from the Collection Account and/or the Certificate Account for Advances made by it pursuant to this Section 5.04 as if it were the Master Servicer.

Section 5.05. Compensating Interest Payments.

The Master Servicer shall not be responsible for making any Compensating Interest Payments not made by the Servicers. Any Compensating Interest Payments made by the Servicers shall be a component of the Interest Remittance Amount.

Section 5.06. Basis Risk Reserve Fund.

(a) On the Closing Date, the Trustee shall establish and maintain in its name, in trust for the benefit of the Certificateholders, a Basis Risk Reserve Fund, into which Lehman Brothers Holdings Inc. (“LBH”) shall initially deposit \$1,000. The Basis Risk Reserve Fund shall be an Eligible Account, and funds on deposit therein shall be held separate and apart from, and shall not be commingled with, any other monies, including, without limitation, other monies of the Trustee held pursuant to this Agreement.

(b) The Trustee (or Paying Agent) shall make withdrawals from the Basis Risk Reserve Fund to make distributions pursuant to Section 5.02(f)(iv) hereof in accordance with the Distribution Date reports.

(c) Funds in the Basis Risk Reserve Fund shall be invested in Eligible Investments. The Class X Certificates shall evidence ownership of the Basis Risk Reserve Fund for federal income tax purposes and LBH on behalf of the Holder thereof shall direct the Trustee, in writing, as to investment of amounts on deposit therein. LBH shall be liable for any losses incurred on such investments. In the absence of written instructions from LBH as to investment of funds on deposit in the Basis Risk Reserve Fund, such funds shall be invested in the Wells Fargo Advantage Prime Money Market Fund. The Basis Risk Reserve Fund will be terminated after the earlier of (A) a Section 7.01(c) Purchase Event or (B) a Trust Fund Termination Event and any funds remaining in such fund upon such termination shall be released to Holders of the Class X Certificates.

Section 5.07. Supplemental Interest Trust.

(a) A separate trust is hereby established (the “Supplemental Interest Trust”), the corpus of which shall be held by the Trustee, in trust, for the benefit of the Certificateholders. The Trustee, as trustee of the Supplemental Interest Trust, shall establish an account (the “Swap Account”), into which LBH shall initially deposit \$1,000. The Swap Account shall be an Eligible Account, and funds on deposit therein shall be held separate and apart from, and shall not be commingled with, any other monies, including, without limitation, other monies of the Trustee held pursuant to this Agreement.

(b) In addition, the Trustee, as trustee of the Supplemental Interest Trust, shall establish an account (the “Interest Rate Cap Account”), into which LBH shall initially deposit \$1,000. The Interest Rate Cap Account shall be an Eligible Account, and funds on deposit therein shall be held separate and apart from, and shall not be commingled with, any other monies, including, without limitation, other monies of the Trustee held pursuant to this Agreement.

(c) In addition, on the Closing Date, the Trustee, on behalf of the Supplemental Interest Trust, shall establish an account (the “ Collateral Account ” ) into which funds shall be deposited pursuant to Section 5.07(h). The Collateral Account shall be an Eligible Account, and funds on deposit therein shall be held separate and apart from, and shall not be commingled with, any other monies, including, without limitation, other monies of the Trustee held pursuant to this Agreement.

(d) The Trustee shall deposit into the Swap Account any Net Swap Payment required pursuant to Sections 5.02(b), (c), (e) and (j), any Swap Termination Payment required pursuant to Sections 5.02(b), (c), (e) and (j), any amounts received from the Swap Counterparty under the Swap Agreement and any amounts distributed from the Basis Risk Reserve Fund required pursuant to Sections 5.02(f)(iv)(C) and (f)(vi), and shall distribute from the Swap Account any Net Swap Payment required pursuant to Section 5.02(g)(i) or Section 5.02(k), as applicable, or Swap Termination Payment required pursuant to Section 5.02(g)(ii), Section 5.02(g)(x) or Section 5.02(k), as applicable.

(e) The Trustee shall deposit into the Interest Rate Cap Account any amounts received from the Cap Counterparty under the Interest Rate Cap Agreement.

(f) Funds in the Swap Account shall be invested in Eligible Investments. Any earnings on such amounts shall be distributed on each Distribution Date pursuant to Section 5.02(g) or Section 5.02(k), as applicable. The Class X Certificates shall evidence ownership of the Swap Account for federal income tax purposes and the Holder thereof shall direct the Trustee, in writing, as to investment of amounts on deposit therein. LBH shall be liable for any losses incurred on such investments. In the absence of written instructions from the Class X Certificateholders as to investment of funds on deposit in the Swap Account, such funds shall be invested in the Wells Fargo Advantage Prime Money Market Fund or comparable investment vehicle. Any amounts on deposit in the Swap Account in excess of the Swap Amount on any Distribution Date shall be held for distribution pursuant to Section 5.02(g) or Section 5.02(k), as applicable, on the following Distribution Date.

(g) Funds in the Interest Rate Cap Account shall be invested in Eligible Investments. Any earnings on such amounts shall be distributed on each Distribution Date pursuant to Section 5.02(h) or Section 5.02(l), as applicable. The Class X Certificates shall evidence ownership of the Interest Rate Cap Account for federal income tax purposes and the Holder thereof shall direct the Trustee, in writing, as to investment of amounts on deposit therein. LBH shall be liable for any losses incurred on such investments. In the absence of written instructions from the Class X Certificateholders as to investment of funds on deposit in the Interest Rate Cap Account, such funds shall be invested in the Wells Fargo Advantage Prime Money Market Fund or comparable investment vehicle. Any amounts on deposit in the Interest Rate Cap Account in excess of the Interest Rate Cap Amount on any Distribution Date shall be held for distribution pursuant to Section 5.02(h) or Section 5.02(l), as applicable, on the following Distribution Date.

(h) Funds or collateral required to be held pursuant to the Credit Support Annex shall be deposited into the Collateral Account. Funds posted by the Cap Counterparty (or its credit support provider) and/or the Swap Counterparty (or its credit support provider) in the Collateral Account shall be invested in Eligible Investments at the written direction of the Swap Counterparty. Any interest earnings on such amounts shall be remitted to the Cap Counterparty and/or the Swap Counterparty, as applicable, pursuant to the terms of the Credit Support Annex. For federal income tax purposes, the Swap Counterparty shall be considered owner of funds deposited in the Collateral Account. The Trustee shall not be liable for any losses incurred on such investments. In the absence of written instructions from the Cap Counterparty (or its credit support provider) and/or the Swap Counterparty (or its credit support provider) as to investment of funds on deposit in the Collateral Account, such funds shall be invested in the Wells Fargo Advantage Prime Money Market Fund or comparable investment vehicle. On the first Distribution Date immediately following any Swap Payment Date as to which a shortfall exists with respect to a Net Swap Payment or a Swap Termination Payment owed by the Swap Counterparty as a result of its failure to make payments pursuant to the Swap Agreement, amounts necessary to cover such shortfall shall be removed from the Collateral Account, remitted to the Swap Account and distributed as all or a portion of such Net Swap Payment or Swap Termination Payment pursuant to Section 5.02(g) or Section 5.02(k), as applicable. On any Distribution Date as to which a shortfall exists with respect to Interest Rate Cap Amounts owed by the Cap Counterparty as a result of its failure to make payments pursuant to the Interest Rate Cap Agreement, amounts necessary to cover such shortfall shall be removed from the Collateral Account, remitted to the Interest Rate Cap Account and distributed as all or a portion of such Interest Rate Cap Amount pursuant to Section 5.02(h) or Section 5.02(l), as applicable. Any amounts on deposit in the Collateral Account required to be returned to the Cap Counterparty (or its credit support provider) and/or the Swap Counterparty (or its credit support provider), as applicable, as a result of (i) the termination of the Swap Agreement or the Interest Rate Cap Agreement, as applicable, (ii) the procurement of a guarantor, (iii) the reinstatement of required ratings or (iv) otherwise pursuant to the Swap Agreement, shall be released directly to the Swap Counterparty and/or the Cap Counterparty, as applicable, pursuant to the terms of the Credit Support Annex.

(i) Upon termination of the Trust Fund, any amounts remaining in the Swap Account shall be distributed pursuant to the priorities set forth in Sections 5.02(g) or 5.02(k), as applicable.

(j) Upon termination of the Trust Fund, any amounts remaining in the Interest Rate Cap Account shall be distributed pursuant to the priorities set forth in Section 5.02(h) or Section 5.02(l), as applicable.

(k) Upon termination of the Trust Fund, any amounts remaining in the Collateral Account shall be distributed as required pursuant to the terms of the Credit Support Annex.

(l) It is the intention of the parties hereto that, for federal and state income and state and local franchise tax purposes, the Supplemental Interest Trust be disregarded as an entity separate from the holder of the Class X Certificates unless and until the date when either (a) there is more than one Class X Certificateholder or (b) any Class of Certificates in addition to the Class X Certificates is recharacterized as an equity interest in the Supplemental Interest Trust for federal income tax purposes. The Trustee shall not be responsible for any entity level tax reporting for the Supplemental Interest Trust.

(m) To the extent that the Supplemental Interest Trust is determined to be a separate legal entity from the Trustee, any obligation of the Trustee under the Swap Agreement or the Interest Rate Cap Agreement shall be deemed to be an obligation of the Supplemental Interest Trust.

(n) In the event that either the Swap Counterparty or the Cap Counterparty fails to perform any of its obligations under the Swap Agreement or the Interest Rate Cap Agreement (including, without limitation, its obligations to make any payment or transfer collateral), or breaches any of its representations and warranties under the Swap Agreement or the Interest Rate Cap Agreement, as applicable, or in the event that an Event of Default, Termination Event, or Additional Termination Event occurs (as such terms are defined in the Swap Agreement or the Interest Rate Cap Agreement, as applicable), the Trustee, on behalf of the Supplemental Interest Trust, shall (upon a Responsible Officer of the Trustee receiving written notice or having actual knowledge of the occurrence thereof), no later than the next Business Day following such failure, breach or occurrence, notify the Swap Counterparty or the Cap Counterparty and give any notice of such failure and make any demand for payment pursuant to the Swap Agreement or the Interest Rate Cap Agreement, as applicable. In the event that the Swap Counterparty's obligations under the Swap Agreement or the Cap Counterparty's obligations under the Interest Rate Cap Agreement are at any time guaranteed by a third party, then to the extent that the Swap Counterparty or Cap Counterparty fails to make any payment or delivery required under terms of the Swap Agreement or the Interest Rate Cap Agreement, as applicable, the Trustee, on behalf of the Supplemental Interest Trust, shall (upon a Responsible Officer of the Trustee receiving written notice or having actual knowledge of the occurrence thereof), no later than the next Business Day following such failure, demand that such guarantor make any and all payments then required to be made by the applicable guarantor.

Section 5.08. Rights of Swap Counterparty.

(a) The Swap Counterparty shall be deemed a third-party beneficiary of this Agreement to the same extent as if it were a party hereto and shall have the right, upon designation of an "Early Termination Date" (as defined in the Swap Agreement), to enforce its rights under this Agreement, which rights include but are not limited to the obligation of the Trustee (A) to deposit any Net Swap Payment required pursuant to Sections 5.02(b), (c), (e) and (k), and any Swap Termination Payment required pursuant to Sections 5.02(b), (c), (e) and (k), into the Swap Account, (B) to deposit any amounts from the Basis Risk Reserve Fund required pursuant to Sections 5.02(f)(iv)(C) and Section 5.02(f)(vi) into the Swap Account, (C) to pay any Net Swap Payment required pursuant to Section 5.02(g)(i) or Section 5.02(k), as applicable, or Swap Termination Payment required pursuant to Sections 5.02(g)(ii), Section 5.02(g)(x), or Section 5.02(k), as applicable to the Swap Counterparty and (D) to establish and maintain the Swap Account, to make such deposits thereto, investments therein and distributions therefrom as are required pursuant to Section 5.07. For the protection and enforcement of the provisions of this Section the Swap Counterparty shall be entitled to such relief as can be given either at law or in equity.

Section 5.09. Termination Receipts.

(a) In the event of an "Early Termination Event" as defined under the Swap Agreement, (i) any Swap Termination Payment made by the Swap Counterparty to the Supplemental Interest Trust and paid pursuant to Section 5.02(g)(ix) or Section 5.02(k), as applicable ("Termination Receipts") will be deposited in a segregated non-interest bearing account which shall be an Eligible Account established by the Trustee (the "Swap Termination Receipts Account") and (ii) any amounts received from a replacement Swap Counterparty ("Swap Replacement Receipts") will be deposited in a segregated non-interest bearing account which shall be an Eligible Account established by the Trustee (the "Swap Replacement Receipts Account"). The Trustee shall invest, or cause to be invested, funds held in the Swap Termination Receipts Account and the Swap Replacement Receipts Account in time deposits of the Trustee as permitted by clause (ii) of the definition of Eligible Investments or as otherwise directed in writing by a majority of the Certificateholders. All such investments must be payable on demand or mature on a Swap Payment Date, a Distribution Date or such other date as directed by the Certificateholders. All such Eligible Investments will be made in the name of the Trustee of the Supplemental Interest Trust (in its capacity as such) or its nominee. All income and gain realized from any such investment shall be deposited in the Swap Termination Receipts Account or the Swap Replacement Receipts Account, as applicable, and all losses, if any, shall be borne by the related account.



Unless otherwise permitted by the Rating Agencies as evidenced in a written confirmation, the Depositor shall arrange for replacement Swap Agreement(s) or procure a replacement guarantor, if applicable, and the Trustee shall upon written direction of, and with the assistance and cooperation of the Depositor, use amounts on deposit in the Swap Termination Receipts Account, if necessary, to enter into replacement Swap Agreement(s) or to execute any other agreements with respect to such replacement guarantor, if applicable, which shall be executed and delivered by the Trustee on behalf of the Supplemental Interest Trust upon receipt of written confirmation from each Rating Agency (if required pursuant to the terms of the Swap Agreement) that such replacement Swap Agreement(s) will not result in the reduction or withdrawal of the rating of any outstanding Class of Certificates with respect to which it is a Rating Agency.

Amounts on deposit in the Swap Replacement Receipts Account shall be held for the benefit of the related Swap Counterparty and paid to such Swap Counterparty if the Supplemental Interest Trust is required to make a payment to such Swap Counterparty following an event of default or termination event with respect to the Supplemental Interest Trust under the related Swap Agreement. Any amounts not so applied shall, following the termination or expiration of such Swap Agreement, be paid to the Class X Certificates.

(b) In the event of an “ Early Termination Event ” as defined under the Interest Rate Cap Agreement, (i) any Cap Termination Payment made by the Cap Counterparty to the Interest Rate Cap Account and paid pursuant to Section 5.02(h)(vii) or Section 5.02(l) ( “ Cap Termination Receipts ” ) shall be deposited in a segregated non-interest bearing account which shall be an Eligible Account established by the Trustee (the “ Cap Termination Receipts Account ” ) and (ii) any amounts received from a replacement Cap Counterparty ( “ Cap Replacement Receipts ” ) will be deposited in a segregated non-interest bearing account which shall be an Eligible Account established by the Trustee (the “ Cap Replacement Receipts Account ” ). The Trustee shall invest, or cause to be invested, funds held in the Cap Termination Receipts Account in time deposits of the Trustee as permitted by clause (ii) of the definition of Eligible Investments or as otherwise directed in writing by a majority of the Certificateholders. All such investments must be payable on demand or mature on a Interest Rate Cap Payment Date, a Distribution Date or such other date as directed by the Certificateholders. All such Eligible Investments shall be made in the name of the Supplemental Interest Trust or its nominee. All income and gain realized from any such investment shall be deposited in the Cap Termination Receipts Account and all losses, if any, shall be borne by such account.

Unless otherwise permitted by the Rating Agencies as evidenced in a written confirmation, the Depositor shall arrange for replacement Interest Rate Cap Agreement(s) and the Trustee shall promptly, with the assistance and cooperation of the Depositor, use amounts on deposit in the Cap Termination Receipts Account, if necessary, to enter into replacement Interest Rate Cap Agreement(s) which shall be executed and delivered by the Trustee on behalf of the Supplemental Interest Trust upon receipt of written confirmation from each Rating Agency that such replacement Interest Rate Cap Agreement(s) will not result in the reduction or withdrawal of the rating of any outstanding Class of Certificates with respect to which it is a Rating Agency.

ARTICLE VI  
CONCERNING THE TRUSTEE; EVENTS OF DEFAULT

Section 6.01. Duties of Trustee.

(a) The Trustee, except during the continuance of an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge, undertakes to perform such duties and only such duties as are specifically set forth in this Agreement. Any permissive right of the Trustee provided for in this Agreement shall not be construed as a duty of the Trustee. If an Event of Default has occurred and has not otherwise been cured or waived, the Trustee (upon receipt of actual knowledge thereof by a Responsible Officer of the Trustee) shall exercise such of the rights and powers vested in it by this Agreement and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs, unless the Trustee is acting as Master Servicer, in which case it shall use the same degree of care and skill as the Master Servicer hereunder.

(b) The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee which are specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they are on their face in the form required by this Agreement; *provided, however*, that the Trustee shall not be responsible for the accuracy or content of any such resolution, certificate, statement, opinion, report, document, order or other instrument furnished by the Master Servicer, any Servicer, the Swap Counterparty, the Cap Counterparty or the Credit Risk Manager to the Trustee pursuant to this Agreement, and shall not be required to recalculate or verify any numerical information furnished to the Trustee pursuant to this Agreement. Subject to the immediately preceding sentence, if any such resolution, certificate, statement, opinion, report, document, order or other instrument is found not to conform on its face to the form required by this Agreement in a material manner the Trustee shall notify the Person providing such resolutions, certificates, statements, opinions, reports or other documents of the non-conformity, and if the instrument is not corrected to the Trustee's satisfaction, the Trustee will provide notice thereof to the Certificateholders and any NIMS Insurer and will, at the expense of the Trust Fund, which expense shall be reasonable given the scope and nature of the required action, take such further action as directed by the Certificateholders and any NIMS Insurer.

(c) The Trustee shall not have any liability arising out of or in connection with this Agreement, except for its negligence or willful misconduct. No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct; *provided, however*, that:

(i) The Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Holders as provided in Section 6.18 hereof;

(ii) For all purposes under this Agreement, the Trustee shall not be deemed to have notice of any Event of Default (other than resulting from a failure by the Master Servicer to furnish information to the Trustee when required to do so) unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office, and such notice references the Holders of the Certificates and this Agreement;

(iii) No provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; and none of the provisions contained in this Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Master Servicer under this Agreement;

(iv) The Trustee shall not be responsible for any act or omission of the Master Servicer, any Servicer, the Credit Risk Manager, the Depositor, the Seller, any Custodian, the Cap Counterparty or the Swap Counterparty.

(d) The Trustee shall have no duty hereunder with respect to any complaint, claim, demand, notice or other document it may receive or which may be alleged to have been delivered to or served upon it by the parties as a consequence of the assignment of any Mortgage Loan hereunder; *provided, however*, that the Trustee shall promptly remit to the Master Servicer upon receipt any such complaint, claim, demand, notice or other document (i) which is delivered to the Corporate Trust Office of the Trustee and makes reference to this series of Certificate or this Agreement, (ii) of which a Responsible Officer has actual knowledge, and (iii) which contains information sufficient to permit the Trustee to make a determination that the real property to which such document relates is a Mortgaged Property.

(e) The Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of any NIMS Insurer or the Certificateholders of any Class holding Certificates which evidence, as to such Class, Percentage Interests aggregating not less than 25% as to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Agreement.

(f) The Trustee shall not be required to perform services under this Agreement, or to expend or risk its own funds or otherwise incur financial liability for the performance of any of its duties hereunder or the exercise of any of its rights or powers if there is reasonable ground for believing that the timely payment of its fees and expenses or the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and none of the provisions contained in this Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Master Servicer or any Servicer under this Agreement or any Servicing Agreement except during such time, if any, as the Trustee shall be the successor to, and be vested with the rights, duties, powers and privileges of, the Master Servicer in accordance with the terms of this Agreement.

(g) The Trustee shall not be held liable by reason of any insufficiency in the Collection Account or any other account established under this Agreement resulting from any investment loss on any Eligible Investment included therein (except to the extent that the Trustee is the obligor and has defaulted thereon).

(h) The Trustee shall not have any duty (A) to see to any recording, filing, or depositing of this Agreement or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof, (B) to see to any insurance or claim under any Insurance Policy, and (C) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Trust Fund or the Supplemental Interest Trust other than from funds available in the Collection Account or the Certificate Account, as applicable. Except as otherwise provided herein, the Trustee shall not have any duty to confirm or verify the contents of any reports or certificates of the Master Servicer, any Servicer, the Swap Counterparty, the Cap Counterparty or the Credit Risk Manager delivered to the Trustee pursuant to this Agreement believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

(i) The Trustee shall not be liable in its individual capacity for an error of judgment made in good faith by a Responsible Officer or other officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(j) Notwithstanding anything in this Agreement to the contrary, none of the Trustee or any Paying Agent shall be liable for special, indirect or consequential losses or damages of any kind whatsoever (including, but not limited to, lost profits), even if the Paying Agent or the Trustee, as applicable, has been advised of the likelihood of such loss or damage and regardless of the form of action, *provided, however*, that this Subsection 6.01(j) shall not apply in connection with any failure by the Trustee to comply with the provisions of Subsections 6.01(l) hereof and Subsections 9.25(a) and (b) hereof.

(k) The Trustee shall not be responsible for the acts or omissions of the other, it being understood that this Agreement shall not be construed to render them agents of one another, or of the Master Servicer or any Servicer.

(l) For so long as the Depositor is subject to Exchange Act reporting requirements for the Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 transaction, the Trustee shall give prior written notice to the Sponsor, the Master Servicer and the Depositor of the appointment of any Subcontractor by it and a written description (in form and substance satisfactory to the Sponsor and the Depositor) of the role and function of each Subcontractor utilized by the Trustee, specifying (A) the identity of each such Subcontractor and (B) which elements of the servicing criteria set forth under Item 1122(d) of Regulation AB will be addressed in assessments of compliance provided by each such Subcontractor.

(m) The Paying Agent and Certificate Registrar shall have the same rights, protections, immunities and indemnities as are afforded to the Trustee pursuant to this Article VI.

Section 6.02. Certain Matters Affecting the Trustee.

Except as otherwise provided in Section 6.01:

(a) The Trustee may request, and may rely and shall be protected in acting or refraining from acting upon any resolution, Officer's Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) The Trustee may consult with counsel and any advice of its counsel or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(c) The Trustee shall not be personally liable for any action taken, suffered or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement;

(d) Unless an Event of Default shall have occurred and be continuing, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document (provided the same appears regular on its face), unless requested in writing to do so by any NIMS Insurer or the Holders of at least a majority in Class Principal Amount (or Percentage Interest) of each Class of Certificates; *provided, however*, that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee not reasonably assured to the Trustee by the security afforded to it by the terms of this Agreement, the Trustee may require reasonable indemnity against such expense or liability or payment of such estimated expenses from any NIMS Insurer or the Certificateholders, as applicable, as a condition to proceeding. The reasonable expense thereof shall be paid by the party requesting such investigation and if not reimbursed by the requesting party shall be reimbursed to the Trustee by the Trust Fund;

(e) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, custodians or attorneys, which agents, custodians or attorneys shall have any and all of the rights, powers, duties and obligations of the Trustee conferred on them by such appointment, provided that each of the Trustee shall continue to be responsible for its duties and obligations hereunder to the extent provided herein, and provided further that the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by the Trustee;

(f) The Trustee shall not be under any obligation to exercise any of the trusts or powers vested in it by this Agreement or to institute, conduct or defend any litigation hereunder or in relation hereto, in each case at the request, order or direction of any of the Certificateholders or any NIMS Insurer pursuant to the provisions of this Agreement, unless such Certificateholders or any NIMS Insurer shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby;

(g) The right of the Trustee to perform any discretionary act enumerated in this Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of such act; and

(h) The Trustee shall not be required to give any bond or surety in respect of the execution of the Trust Fund or Supplemental Interest Trust created hereby or the powers granted hereunder.

Section 6.03. Trustee Not Liable for Certificates.

The Trustee makes no representations as to the validity or sufficiency of this Agreement, any Servicing Agreement, any Custodial Agreement, the Interest Rate Cap Agreement or the Swap Agreement, the Certificates (other than the certificate of authentication on the Certificates) or the Lower Tier REMIC 1 Uncertificated Regular Interests, or of any Mortgage Loan, or related document save that the Trustee represents that, assuming due execution and delivery by the other parties hereto, this Agreement has been duly authorized, executed and delivered by it and constitutes its valid and binding obligation, enforceable against it in accordance with its terms except that such enforceability may be subject to (A) applicable bankruptcy and insolvency laws and other similar laws affecting the enforcement of the rights of creditors generally, and (B) general principles of equity regardless of whether such enforcement is considered in a proceeding in equity or at law. The Trustee shall not be accountable for the use or application by the Depositor of funds paid to the Depositor in consideration of the assignment of the Mortgage Loans to the Trust Fund by the Depositor or for the use or application of any funds deposited into the Collection Account, the Certificate Account, any Escrow Account or any other fund or account maintained with respect to the Certificates. The Trustee shall not be responsible for the legality or validity of this Agreement, any Servicing Agreement, any Custodial Agreement, the Swap Agreement, the Interest Rate Cap Agreement or the Mortgage Loan Sale Agreement or the validity, priority, perfection or sufficiency of the security for the Certificates or the Lower Tier REMIC 1 Uncertificated Regular Interests issued or intended to be issued hereunder. The Trustee shall not have any responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or lien granted to it hereunder or to record this Agreement.

Section 6.04. Trustee May Own Certificates.

The Trustee and any Affiliate or agent of it in its individual or any other capacity may become the owner or pledgee of Certificates and may transact banking and trust business with the other parties hereto and their Affiliates with the same rights it would have if it were not Trustee or such agent.

Section 6.05. Eligibility Requirements for Trustee.

The Trustee hereunder shall at all times be (i) an institution whose accounts are insured by the FDIC, (ii) a corporation or national banking association, organized and doing business under the laws of any State or the United States of America, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by federal or state authority and (iii) not an Affiliate of the Master Servicer or any Servicer (except in the case of the Trustee). If such corporation or national banking association publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then, for the purposes of this Section, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In addition, the Trustee (i) may not be an originator of Mortgage Loans, the Master Servicer, a Servicer, the Depositor or an affiliate of the Depositor unless the Trustee is in an institutional trust department of the Trustee and (ii) must be authorized to exercise corporate trust powers under the laws of its jurisdiction of organization. In case at any time the Trustee shall cease to be eligible in accordance with provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 6.06.

Section 6.06. Resignation and Removal of Trustee.

(a) The Trustee may at any time resign and be discharged from the trust hereby created by giving written notice thereof to the Depositor, the Swap Counterparty, the Cap Counterparty, any NIMS Insurer and the Master Servicer. Upon receiving such notice of resignation, the Depositor will promptly appoint a successor trustee acceptable to any NIMS Insurer by written instrument, one copy of which instrument shall be delivered to the resigning Trustee, one copy to the successor trustee and one copy to each of the Master Servicer and any NIMS Insurer. If no successor trustee shall have been so appointed and shall have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

(b) If at any time (i) the Trustee shall cease to be eligible in accordance with the provisions of Section 6.05 and shall fail to resign after written request therefor by the Depositor or any NIMS Insurer, (ii) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, (iii) the Trustee shall fail to observe or perform in any material respect any of the covenants or agreements of the Trustee contained in this Agreement, including any failure to provide the information, reports, assessments or attestations required pursuant to Subsection 9.25(a) or 9.25(b) hereof, (iv) a tax is imposed or threatened with respect to the Trust Fund by any state in which the Trustee or the Trust Fund held by the Trustee is located, (v) the continued use of the Trustee would result in a downgrading of the rating by any Rating Agency of any Class of Certificates with a rating, (vi) the Paying Agent shall fail to provide the information required pursuant to Subsection 3.08(b) hereof or (vii) the Depositor desires to replace the Trustee with a successor trustee, then the Depositor, the Master Servicer or any NIMS Insurer shall remove the Trustee or the Paying Agent, as applicable, and the Depositor shall appoint a successor trustee acceptable to any NIMS Insurer and the Master Servicer by written instrument, one copy of which instrument shall be delivered to the Trustee so removed, one copy to the successor trustee and one copy to each of the Master Servicer and any NIMS Insurer.

(c) The Holders of more than 50% of the Class Principal Amount (or Percentage Interest) of each Class of Certificates (or any NIMS Insurer in the event of failure of the Trustee to perform its obligations hereunder) may at any time upon 30 days' written notice to the Trustee and to the Depositor remove the Trustee by such written instrument, signed by such Holders or their attorney-in-fact duly authorized (or by any NIMS Insurer), one copy of which instrument shall be delivered to the Depositor, one copy to the Trustee, one copy each to the Master Servicer and any NIMS Insurer; the Depositor shall thereupon appoint a successor trustee in accordance with this Section mutually acceptable to the Depositor, the Master Servicer and any NIMS Insurer.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 6.07.

Section 6.07. Successor Trustee.

(a) Any successor trustee appointed as provided in Section 6.06 shall execute, acknowledge and deliver to the Depositor, the Master Servicer, any NIMS Insurer, the Swap Counterparty and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee, shall become effective and such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein. A predecessor trustee (or its custodian) shall deliver to the Trustee or any successor trustee (or assign to the Trustee its interest under any Custodial Agreement, to the extent permitted thereunder), all Mortgage Files and documents and statements related to each Mortgage File held by it hereunder, and shall duly assign, transfer, deliver and pay over to the successor trustee the entire Trust Fund, together with all necessary instruments of transfer and assignment or other documents properly executed necessary to effect such transfer and such of the records or copies thereof maintained by the predecessor trustee in the administration hereof as may be requested by the successor trustee and shall thereupon be discharged from all duties and responsibilities under this Agreement. In addition, the Master Servicer and the predecessor trustee shall execute and deliver such other instruments and do such other things as may reasonably be required to more fully and certainly vest and confirm in the successor trustee all such rights, powers, duties and obligations.

(b) No successor trustee shall accept appointment as provided in this Section 6.07 unless at the time of such appointment such successor trustee shall be eligible under the provisions of Section 6.05.



(c) Upon acceptance of appointment by a successor trustee as provided in this Section 6.07, the predecessor trustee shall mail notice of the succession of such trustee to all Holders of Certificates at their addresses as shown in the Certificate Register and to any Rating Agency. The expenses of such mailing shall be borne by the predecessor trustee.

(d) Upon the resignation or removal of the Trustee pursuant to this Section 6.07, the Trustee shall deliver the amounts held in its possession for the benefit of the Certificateholders to the successor trustee upon the appointment of the successor trustee.

Section 6.08. Merger or Consolidation of Trustee.

Any Person into which the Trustee may be merged or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Persons succeeding to the corporate trust business of the Trustee, shall be the successor to the Trustee 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, *provided* that, such Person shall be eligible under the provisions of Section 6.05. Unless and until a Form 15 suspension notice shall have been filed, as a condition to a succession to the Trustee under this Agreement by any Person (i) into which the Trustee may be merged or consolidated, or (ii) which may be appointed as a successor to the Trustee, the Trustee shall notify the Sponsor, the Master Servicer and the Depositor, at least 15 calendar days prior to the effective date of such succession or appointment, of such succession or appointment and shall furnish to the Sponsor, the Master Servicer and the Depositor in writing and in form and substance reasonably satisfactory to the Sponsor, the Master Servicer and the Depositor, all information reasonably necessary for the Trustee to accurately and timely report, pursuant to Section 6.20, the event under Item 6.02 of Form 8-K pursuant to the Exchange Act (if such reports under the Exchange Act are required to be filed under the Exchange Act).

Section 6.09. Appointment of Co-Trustee, Separate Trustee or Custodian.

(a) Notwithstanding any other provisions hereof, at any time, the Trustee, the Depositor or the Certificateholders evidencing more than 50% of the Class Principal Amount (or Percentage Interest) of every Class of Certificates shall have the power from time to time to appoint one or more Persons, approved by the Trustee and any NIMS Insurer, to act either as co-trustees jointly with the Trustee, or as separate trustees, or as custodians, for the purpose of holding title to, foreclosing or otherwise taking action with respect to any Mortgage Loan outside the state where the Trustee has its principal place of business where such separate trustee or co-trustee is necessary or advisable (or the Trustee has been advised by the Master Servicer that such separate trustee or co-trustee is necessary or advisable) under the laws of any state in which a property securing a Mortgage Loan is located or for the purpose of otherwise conforming to any legal requirement, restriction or condition in any state in which a property securing a Mortgage Loan is located or in any state in which any portion of the Trust Fund is located. The separate Trustees, co-trustees, or custodians so appointed shall be trustees or custodians for the benefit of all the Certificateholders and shall have such powers, rights and remedies as shall be specified in the instrument of appointment; *provided, however*, that no such appointment shall, or shall be deemed to, constitute the appointee an agent of the Trustee. The obligation of the Trustee to make Advances pursuant to Sections 5.04 and 6.14 hereof shall not be affected or assigned by the appointment of a co-trustee. Notwithstanding the foregoing, if such co-custodian or co-trustee is determined to be a Servicing Function Participant, no such co-custodian or co-trustee shall be vested with any powers, rights and remedies under this Agreement unless such party has agreed to comply with all Regulation AB requirements set forth under this Agreement or the Custodial Agreements, as applicable.

(b) Every separate trustee, co-trustee, and custodian shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred upon the Trustee in respect of the receipt, custody and payment of monies shall be exercised solely by the Trustee;

(ii) all other rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee, co-trustee, or custodian jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations, including the holding of title to the Trust Fund or any portion thereof in any such jurisdiction, shall be exercised and performed by such separate trustee, co-trustee, or custodian;

(iii) no trustee or custodian hereunder shall be personally liable by reason of any act or omission of any other trustee or custodian hereunder; and

(iv) the Trustee or the Certificateholders evidencing more than 50% of the Aggregate Voting Interests of the Certificates may at any time accept the resignation of or remove any separate trustee, co-trustee or custodian, so appointed by it or them, if such resignation or removal does not violate the other terms of this Agreement.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee, co-trustee or custodian shall refer to this Agreement and the conditions of this Article VI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee and a copy given to the Master Servicer and any NIMS Insurer.

(d) Any separate trustee, co-trustee or custodian may, at any time, constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee, co-trustee or custodian shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

(e) No separate trustee, co-trustee or custodian hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 6.05 hereunder and no notice to Certificateholders of the appointment shall be required under Section 6.07 hereof.

(f) The Trustee agrees to instruct the co-trustees, if any, to the extent necessary to fulfill the Trustee's obligations hereunder.

(g) The Trustee shall pay the reasonable compensation of the co-trustees requested by the Trustee to be so appointed (which compensation shall not reduce any compensation payable to the Trustee ) and, if paid by the Trustee, shall be a reimbursable expense pursuant to Section 6.12.

(h) Notwithstanding the foregoing, for so long as reports are required to be filed with the Commission under the Exchange Act with respect to the Trust, the Trustee shall not utilize any Subcontractor for the performance of its duties hereunder if such Subcontractor would be "participating in the servicing function" within the meaning of Item 1122 of Regulation AB without (a) giving notice to the Seller, the Master Servicer, the Sponsor and the Depositor and (b) requiring any such Subcontractor to provide to the Trustee an assessment report as provided in Section 9.25(a) and an attestation report as provided in Section 9.25(b), which reports the Trustee shall include in its assessment and attestation reports, and, to the extent such Subcontractor is acting in a trustee capacity, the information (as though such Subcontractor was the Trustee) pursuant to Section 6.20(e)(iv) for delivery by the Trustee thereunder. The Trustee shall indemnify the Sponsor, the Depositor and the Master Servicer and any director, officer, employee or agent of each of the Sponsor, the Depositor and the Master Servicer and hold them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain arising out of or based upon the failure by the Trustee (i) to give notice of the engagement of any Subcontractor or (ii) to require any Subcontractor to provide the Trustee or fail to provide the Master Servicer and the Depositor the information, when and as required, pursuant to this Section 6.09(h). This indemnity shall survive the termination of this Agreement or the earlier resignation or removal of the Trustee.

Section 6.10. Authenticating Agents.

(a) The Trustee may appoint one or more Authenticating Agents which shall be authorized to act on behalf of the Trustee in authenticating Certificates. Wherever reference is made in this Agreement to the authentication of Certificates by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent must be a corporation organized and doing business under the laws of the United States of America or of any state, having a combined capital and surplus of at least \$15,000,000, authorized under such laws to do a trust business and subject to supervision or examination by federal or state authorities and acceptable to any NIMS Insurer.

(b) Any Person into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which any Authenticating Agent shall be a party, or any Person succeeding to the corporate agency business of any Authenticating Agent, shall continue to be the Authenticating Agent without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

(c) Any Authenticating Agent may at any time resign by giving at least 30 days' advance written notice of resignation to the Trustee, any NIMS Insurer and the Depositor. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent, any NIMS Insurer and the Depositor. Upon receiving a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.10, the Trustee may appoint a successor Authenticating Agent, shall give written notice of such appointment to the Depositor and any NIMS Insurer and shall mail notice of such appointment to all Holders of Certificates. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers, duties and responsibilities of its predecessor hereunder, with like effect as if originally named as Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section 6.10. No Authenticating Agent shall have responsibility or liability for any action taken by it as such at the direction of the Trustee. Any Authenticating Agent shall be entitled to reasonable compensation for its services and, if paid by the Trustee, it shall be a reimbursable expense pursuant to Section 6.12.

Section 6.11. Indemnification of Trustee.

The Trustee and its directors, officers, employees and agents shall be entitled to indemnification from the Trust Fund for any loss, liability or expense incurred in connection with any legal proceeding or incurred without negligence or willful misconduct on its part arising out of, or in connection with, the acceptance or administration of the trusts created hereunder or in connection with the performance of its duties hereunder or under the Swap Agreement, the Interest Rate Cap Agreement, the Mortgage Loan Sale Agreement, the Transfer Agreement, any Servicing Agreement, the MGIC Letter Agreement, the PMI Letter Agreement or any Custodial Agreement, including any applicable fees and expenses payable pursuant to Section 6.12 and the costs and expenses of defending themselves against any claim in connection with the exercise or performance of any of their powers or duties hereunder, provided that:

(i) with respect to any such claim, the Trustee shall have given the Depositor, the Master Servicer, any NIMS Insurer and the Holders written notice thereof promptly after a Responsible Officer of the Trustee shall have knowledge thereof *provided* that the failure to provide such prompt written notice shall not affect the Trustee's right to indemnification hereunder;

(ii) while maintaining control over its own defense, the Trustee shall cooperate and consult fully with the Depositor, the Master Servicer and any NIMS Insurer in preparing such defense; and

(iii) notwithstanding anything to the contrary in this Section 6.11, the Trust Fund shall not be liable for settlement of any such claim by the Trustee entered into without the prior consent of the Depositor, the Master Servicer and any NIMS Insurer, which consent shall not be unreasonably withheld.

The Trustee shall be further indemnified by the Seller for and held harmless against, any loss, liability or expense arising out of, or in connection with, the provisions set forth in the fifth paragraph of Section 2.01(a) hereof, including, without limitation, all costs, liabilities and expenses (including reasonable legal fees and expenses) of investigating and defending itself against any claim, action or proceeding, pending or threatened, relating to the provisions of such paragraph.

The provisions of this Section 6.11 shall survive any termination of this Agreement and the resignation or removal of the Trustee and shall be construed to include, but not be limited to any loss, liability or expense under any environmental law.

Section 6.12. Fees and Expenses of Trustee and Custodian.

The Trustee shall be entitled to any investment income and earnings on the Certificate Account (other than any amounts required to be deducted in respect of the Custodial Compensation as provided in Section 4.04(c)). Each of Deutsche Bank National Trust Company and Wells Fargo, in their respective capacities as a Custodian, shall be entitled to the Custodial Compensation provided for in the applicable Custodial Agreement which shall be paid by the Trustee as invoiced by each such Custodian first from investment income and earnings on the Certificate Account and, if insufficient to pay the Custodial Compensation, as a corporate obligation of the Trustee. The Trustee shall be entitled to reimbursement of all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with this Agreement (including fees and expenses of its counsel and all persons not regularly in its employment and any amounts described in Section 10.01 to which the Trustee is entitled as provided therein), except for expenses, disbursements and advances that either (i) do not constitute “unanticipated expenses” within the meaning of Treasury Regulation Section 1.860G-1(b)(3)(ii) or (ii) arise from its negligence, bad faith or willful misconduct. If the Custodial Compensation is not fully paid from (i) the Trustee’s own funds or (ii) investment income and earnings on amounts on deposit in the Certificate Account then prior to any distribution to Certificateholders pursuant to Section 5.02 hereof, the Trust Fund shall immediately reimburse the Trustee, or the applicable Custodian, as applicable, upon demand for any such shortfall from amounts on deposit in the Certificate Account. To the extent required under Section 20 of the related Custodial Agreement, the Trustee is hereby authorized to pay any indemnification amounts from amounts on deposit in the Certificate Account prior to any distributions to Certificateholders pursuant to Section 5.02 hereof. LaSalle Bank, N.A., in its capacity as Custodian, shall receive compensation and reimbursement or payment of its expenses under the related Custodial Agreement as provided therein; *provided that*, to the extent required under Section 6 or Section 20 of the related Custodial Agreement, the Trustee is hereby authorized to pay such compensation or indemnity amounts from amounts on deposit in the Certificate Account prior to any distributions to Certificateholders pursuant to Section 5.02 hereof.

Section 6.13. Collection of Monies.

Except as otherwise expressly provided in this Agreement, the Trustee may demand payment or delivery of, and shall receive and collect, all money and other property payable to or receivable by it pursuant to this Agreement. The Trustee shall hold all such money and property received by it as part of the Trust Fund and shall distribute it as provided in this Agreement. If the Trustee shall not have timely received amounts to be remitted with respect to the Mortgage Loans from the Master Servicer, the Trustee shall request the Master Servicer to make such distribution as promptly as practicable or legally permitted. If the Trustee shall subsequently receive any such amounts, it may withdraw such request.

Section 6.14. Events of Default; Trustee To Act; Appointment of Successor.

- (a) The occurrence of any one or more of the following events shall constitute an “Event of Default”:
- (i) Any failure by the Master Servicer to furnish to the Trustee the Mortgage Loan data sufficient to prepare the reports described in Section 4.03(a) (other than with respect to the information referred to in clauses (xix), (xx) and (xxi) of such Section 4.03(a)) which continues unremedied for a period of two (2) Business Days after the date upon which written notice of such failure shall have been given to such Master Servicer by the Trustee, or to such Master Servicer and the Trustee by the Holders of not less than 25% of the Class Principal Amount of each Class of Certificates affected thereby; or
  - (ii) Any failure by the Master Servicer to duly perform, within the required time period and without notice, its obligations to provide any certifications required pursuant to Sections 9.25 and 9.26; or
  - (iii) Except with respect to those items listed in clause (ii) above, any failure by the Master Servicer to duly perform, within the required time period, without notice or grace period, its obligations to provide any information, data or materials required to be provided hereunder pursuant to Sections 9.23 and 9.29(b), including any items required to be included in any Exchange Act report; or
  - (iv) Any failure on the part of the Master Servicer duly to observe or perform in any material respect any other of the covenants or agreements on the part of the Master Servicer contained in this Agreement which continues 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 Master Servicer by the Trustee, or to the Master Servicer and the Trustee by the Holders of more than 50% of the Aggregate Voting Interests of the Certificates or by any NIMS Insurer; or
  - (v) A decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of 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 Master Servicer, and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days or any Rating Agency reduces or withdraws or threatens to reduce or withdraw the rating of the Certificates because of the financial condition or loan servicing capability of such Master Servicer; or

- (vi) The Master Servicer shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, voluntary liquidation or similar proceedings of or relating to the Master Servicer or of or relating to all or substantially all of its property; or
- (vii) The Master Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations; or
- (viii) The Master Servicer shall be dissolved, or shall dispose of all or substantially all of its assets, or consolidate with or merge into another entity or shall permit another entity to consolidate or merge into it, such that the resulting entity does not meet the criteria for a successor servicer as specified in Section 9.27 hereof; or
- (ix) If a representation or warranty set forth in Section 9.14 hereof shall prove to be incorrect as of the time made in any respect that materially and adversely affects the interests of the Certificateholders, and the circumstance or condition in respect of which such representation or warranty was incorrect shall not have been eliminated or cured within 30 days after the date on which written notice of such incorrect representation or warranty shall have been given to the Master Servicer by the Trustee, or to the Master Servicer and the Trustee by the Holders of more than 50% of the Aggregate Voting Interests of the Certificates or by any NIMS Insurer; or
- (x) A sale or pledge of any of the rights of the Master Servicer hereunder or an assignment of this Agreement by the Master Servicer or a delegation of the rights or duties of the Master Servicer hereunder shall have occurred in any manner not otherwise permitted hereunder and without the prior written consent of the Trustee, any NIMS Insurer and Certificateholders holding more than 50% of the Aggregate Voting Interests of the Certificates; or
- (xi) The Master Servicer has notice or actual knowledge that any Servicer at any time is not either a Fannie Mae- or Freddie Mac- approved Seller/Servicer, and the Master Servicer has not terminated the rights and obligations of such Servicer under the applicable Servicing Agreement and replaced such Servicer with a Fannie Mae- or Freddie Mac -approved servicer within 60 days of the date the Master Servicer receives such notice or acquires such actual knowledge; or
- (xii) After receipt of notice from the Trustee or any NIMS Insurer, any failure of the Master Servicer to remit to the Trustee any payment required to be made to the Trustee for the benefit of Certificateholders under the terms of this Agreement, including any Advance, on any Master Servicer Remittance Date which such failure continues unremedied for a period of one Business Day after the date upon which notice of such failure shall have been given to the Master Servicer by the Trustee.

If an Event of Default described in clauses (i) through (xii) of this Section shall occur, then, in each and every case, subject to applicable law, so long as any such Event of Default shall not have been remedied within any period of time prescribed by this Section, the Trustee, by notice in writing to the Master Servicer may, and shall, if so directed by Certificateholders evidencing more than 50% of the Class Principal Amount of each Class of Certificates, terminate all of the rights and obligations of the Master Servicer hereunder and in and to the Mortgage Loans and the proceeds thereof. If an Event of Default described in clause (xii) of this Section shall occur, then, in each and every case, subject to applicable law, so long as such Event of Default shall not have been remedied within the time period prescribed by clause (xii) of this Section 6.14, the Trustee, by notice in writing to the Master Servicer, shall promptly terminate all of the rights and obligations of the Master Servicer hereunder and in and to the Mortgage Loans and the proceeds thereof. On or after the receipt by the Master Servicer of such written notice, all authority and power of the Master Servicer, and only in its capacity as Master Servicer under this Agreement, whether with respect to the Mortgage Loans or otherwise, shall pass to and be vested in the Trustee; *provided, however*, the parties acknowledge that notwithstanding the preceding sentence there may be a transition period, not to exceed 90 days, in order to effect the transfer of the Master Servicing obligations to the Trustee; *provided, further*, the obligation to make Advances by the Trustee shall be effective upon the Trustee providing notice of the termination to the Master Servicer pursuant to this Section 6.14. The Trustee is hereby authorized and empowered to execute and deliver, on behalf of the defaulting Master Servicer as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination, whether to complete the transfer and endorsement or assignment of the Mortgage Loans and related documents or otherwise. The defaulting Master Servicer agrees to cooperate with the Trustee in effecting the termination of the defaulting Master Servicer's responsibilities and rights hereunder as Master Servicer including, without limitation, notifying Servicers of the assignment of the master servicing function and providing the Trustee or its designee all documents and records in electronic or other form reasonably requested by it to enable the Trustee or its designee to assume the defaulting Master Servicer's functions hereunder and the transfer to the Trustee for administration by it of all amounts which shall at the time be or should have been deposited by the defaulting Master Servicer in the Collection Account maintained by such defaulting Master Servicer and any other account or fund maintained with respect to the Certificates or thereafter received with respect to the Mortgage Loans. The Master Servicer being terminated (or the Trust Fund, if the Master Servicer is unable to fulfill its obligations hereunder) as a result of an Event of Default shall bear all costs of a master servicing transfer, including but not limited to those of the Trustee reasonably allocable to specific employees and overhead, legal fees and expenses, accounting and financial consulting fees and expenses, and costs of amending the Agreement, if necessary.

The Trustee shall be entitled to be reimbursed from the Master Servicer (or by the Trust Fund, if the Master Servicer is unable to fulfill its obligations hereunder) for all costs associated with the transfer of master servicing from the predecessor Master Servicer, including, without limitation, any costs or expenses associated with the complete transfer of all master servicing data and the completion, correction or manipulation of such servicing data as may be required by the Trustee to correct any errors or insufficiencies in the master servicing data or otherwise to enable the Trustee to master service the Mortgage Loans properly and effectively. If the terminated Master Servicer does not pay such reimbursement within thirty (30) days of its receipt of an invoice therefore, such reimbursement shall be an expense of the Trust and the Trustee shall be entitled to withdraw such reimbursement from amounts on deposit in the Certificate Account pursuant to Section 4.04(b); provided that the terminated Master Servicer shall reimburse the Trust for any such expense incurred by the Trust; and provided, further, that the Trustee shall decide whether and to what extent it is in the best interest of the Certificateholders to pursue any remedy against any party obligated to make such reimbursement.



Notwithstanding the termination of its activities as Master Servicer, each terminated Master Servicer shall continue to be entitled to reimbursement to the extent provided in Section 4.02 to the extent such reimbursement relates to the period prior to such Master Servicer's termination.

If any Event of Default shall occur, the Trustee, upon a Responsible Officer of the Trustee becoming aware of the occurrence thereof, shall promptly notify any NIMS Insurer, the Swap Counterparty, the Cap Counterparty and each Rating Agency of the nature and extent of such Event of Default. The Trustee shall immediately give written notice to the Master Servicer upon the Master Servicer's failure to remit funds to the Trustee on the Master Servicer Remittance Date.

(b) On and after the time the Master Servicer receives a notice of termination from the Trustee pursuant to Section 6.14(a) or the Trustee receives the resignation of the Master Servicer evidenced by an Opinion of Counsel pursuant to Section 9.28, the Trustee, unless another master servicer shall have been appointed, shall be the successor in all respects to the Master Servicer in its capacity as such under this Agreement and the transactions set forth or provided for herein and shall have all the rights and powers and be subject to all the responsibilities, duties and liabilities relating thereto and arising thereafter placed on the Master Servicer hereunder, including the obligation to make Advances; *provided, however*, that any failure to perform such duties or responsibilities caused by the Master Servicer's or the Trustee's failure to provide information required by this Agreement shall not be considered a default by the Trustee hereunder. In addition, the Trustee shall have no responsibility for any act or omission of the Master Servicer prior to the issuance of any notice of termination. The Trustee shall have no liability relating to the representations and warranties of the Master Servicer set forth in Section 9.14. In the Trustee's capacity as such successor, the Trustee shall have the same limitations on liability herein granted to the Master Servicer. As compensation therefor, the Trustee shall be entitled to receive all compensation payable to the Master Servicer under this Agreement, including the Master Servicing Fee.

(c) Notwithstanding the above, the Trustee may, if it shall be unwilling to continue to so act, or shall, if it is unable to so act, request the Trustee to appoint, petition a court of competent jurisdiction to appoint, or appoint on its own behalf any established housing and home finance institution servicer, master servicer, servicing or mortgage servicing institution having a net worth of not less than \$15,000,000 and meeting such other standards for a successor master servicer as are set forth in this Agreement, as the successor to such Master Servicer in the assumption of all of the responsibilities, duties or liabilities of the Master Servicer hereunder. Such successor master servicer shall have no responsibility for any act or omission of the Master Servicer prior to such successor's assumption of the Master Servicer's rights and obligations hereunder and such successor master servicer shall also have no liability relating to the representations and warranties of the Master Servicer set forth in Section 9.14. Any entity designated by the Trustee as a successor master servicer may be an Affiliate of the Trustee; *provided, however*, that, unless such Affiliate meets the net worth requirements and other standards set forth herein for a successor master servicer, the Trustee, in its individual capacity shall agree, at the time of such designation, to be and remain liable to the Trust Fund for such Affiliate's actions and omissions in performing its duties hereunder. In connection with such appointment and assumption, the Trustee may make such arrangements for the compensation of such successor out of payments on Mortgage Loans as it and such successor shall agree; *provided, however*, that no such compensation shall be in excess of that permitted to the Master Servicer hereunder. The Trustee and such successor shall take such actions, consistent with this Agreement, as shall be necessary to effectuate any such succession and may make other arrangements with respect to the servicing to be conducted hereunder which are not inconsistent herewith. The Master Servicer shall cooperate with the Trustee and any successor master servicer in effecting the termination of the Master Servicer's responsibilities and rights hereunder including, without limitation, notifying Mortgagors of the assignment of the master servicing functions and providing the Trustee and successor master servicer, as applicable, all documents and records in electronic or other form reasonably requested by it to enable it to assume the Master Servicer's functions hereunder and the transfer to the Trustee or such successor master servicer, as applicable, all amounts which shall at the time be or should have been deposited by the Master Servicer in the Collection Account and any other account or fund maintained with respect to the Certificates or the Lower Tier REMIC 1 Uncertificated Regular Interests or thereafter be received with respect to the Mortgage Loans. Neither the Trustee nor any other successor master servicer shall be deemed to be in default hereunder by reason of any failure to make, or any delay in making, any distribution hereunder or any portion thereof caused by (i) the failure of the Master Servicer to deliver, or any delay in delivering, cash, documents or records to it, (ii) the failure of the Master Servicer to cooperate as required by this Agreement, (iii) the failure of the Master Servicer to deliver the Mortgage Loan data to the Trustee as required by this Agreement or (iv) restrictions imposed by any regulatory authority having jurisdiction over the Master Servicer.

Section 6.15. Additional Remedies of Trustee Upon Event of Default.

During the continuance of any Event of Default, so long as such Event of Default shall not have been remedied, the Trustee, in addition to the rights specified in Section 6.14, shall have the right, in its own name and as trustee of an express trust, to take all actions now or hereafter existing at law, in equity or by statute to enforce its rights and remedies and to protect the interests, and enforce the rights and remedies, of any NIMS Insurer and the Certificateholders (including the institution and prosecution of all judicial, administrative and other proceedings and the filings of proofs of claim and debt in connection therewith). Except as otherwise expressly provided in this Agreement, no remedy provided for by this Agreement shall be exclusive of any other remedy, and each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of any Event of Default.

Section 6.16. Waiver of Defaults.

More than 50% of the Aggregate Voting Interests of Certificateholders (with the consent of any NIMS Insurer) may waive any default or Event of Default by the Master Servicer in the performance of its obligations hereunder, except that a default in the making of any required deposit to the Certificate Account that would result in a failure of the Trustee to make any required payment of principal of or interest on the Certificates may only be waived with the consent of 100% of the affected Certificateholders and with the consent of any NIMS Insurer. Upon any such waiver of a past default, such default shall cease to exist, and any Event of Default 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.

Section 6.17. Notification to Holders.

Upon termination of the Master Servicer or appointment of a successor to the Master Servicer, in each case as provided herein, the Trustee shall promptly mail notice thereof by first class mail to the Certificateholders at their respective addresses appearing on the Certificate Register, any NIMS Insurer, the Swap Counterparty and the Cap Counterparty. The Trustee shall also, within 45 days after the occurrence of any Event of Default known to a Responsible Officer of the Trustee, give written notice thereof to any NIMS Insurer and the Certificateholders, unless such Event of Default shall have been cured or waived prior to the issuance of such notice and within such 45-day period.

Section 6.18. Directions by Certificateholders and Duties of Trustee During Event of Default.

Subject to the provisions of Section 8.01 hereof, during the continuance of any Event of Default, Holders of Certificates evidencing not less than 25% of the Class Principal Amount (or Percentage Interest) of each Class of Certificates affected thereby may, with the consent of any NIMS Insurer, direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement; *provided, however*, that the Trustee shall be under no obligation to pursue any such remedy, or to exercise any of the trusts or powers vested in it by this Agreement (including, without limitation, (i) the conducting or defending of any administrative action or litigation hereunder or in relation hereto and (ii) the terminating of the Master Servicer or any successor master servicer from its rights and duties as master servicer hereunder) at the request, order or direction of any of the Certificateholders or any NIMS Insurer, unless such Certificateholders or any NIMS Insurer shall have offered to the Trustee reasonable security or indemnity against the cost, expenses and liabilities which may be incurred therein or thereby; and, provided further, that, subject to the provisions of Section 8.01, the Trustee shall have the right to decline to follow any such direction if the Trustee, in accordance with an Opinion of Counsel acceptable to any NIMS Insurer, determines that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith determines that the action or proceeding so directed would involve it in personal liability for which it is not indemnified to its satisfaction or be unjustly prejudicial to the non-assenting Certificateholders.

Section 6.19. Action Upon Certain Failures of the Master Servicer and Upon Event of Default.

In the event that a Responsible Officer of the Trustee shall have actual knowledge of any action or inaction of the Master Servicer that would become an Event of Default upon the Master Servicer's failure to remedy the same after notice, the Trustee shall give notice thereof to the Master Servicer, any NIMS Insurer, the Swap Counterparty and the Cap Counterparty, as applicable.

Section 6.20. Preparation of Tax Returns and Other Reports.

(a) The Trustee shall prepare or cause to be prepared on behalf of the Trust Fund, based upon information calculated in accordance with this Agreement pursuant to instructions given by the Depositor, and the Trustee shall file federal tax returns, all in accordance with Article X hereof. If the Trustee determines that a state tax return or other return is required, then, at its sole expense, the Trustee shall prepare and file such state income tax returns and such other returns as may be required by applicable law relating to the Trust Fund, and, if required by state law, and shall file any other documents to the extent required by applicable state tax law (to the extent such documents are in the Trustee's possession). The Trustee shall forward copies to the Depositor of all such returns and supplemental tax information and such other information within the Trustee's control as the Depositor may reasonably request in writing and furnish to each Certificateholder, such forms and such information within the control of the Trustee as are required by the Code and the REMIC Provisions to be furnished to them (other than any Form 1099s). The Master Servicer will indemnify the Trustee for any liability of or assessment against the Trustee arising out of or based upon any error in any of such tax or information returns arising out of or based upon errors in the information provided by such Master Servicer.

(b) The Trustee shall prepare and file with the Internal Revenue Service ("IRS"), on behalf of the Trust Fund and each of the REMICs specified in the Preliminary Statement, an application for an employer identification number on IRS Form SS-4 or by any other acceptable method. The Trustee shall also file a Form 8811 as required. The Trustee, upon receipt from the IRS of the Notice of Taxpayer Identification Number Assigned, shall upon request promptly forward a copy of such notice to the Trustee and the Depositor. The Trustee shall have no obligation to verify the information in any Form 8811 or Form SS-4 filing.

(c) The Depositor shall prepare or cause to be prepared the initial current report on Form 8-K. Thereafter, the Trustee shall, in accordance with industry standards and the rules of the Commission as in effect from time to time (the "Rules"), prepare and file with the Commission via the Electronic Data Gathering and Retrieval System ("EDGAR"), the reports listed in subsections (d) through (g) of this Section 6.20 in respect of the Trust Fund as and to the extent required under the Exchange Act.

(d) Reports Filed on Form 10-D.

(i) Within 15 days after each Distribution Date (subject to permitted extensions under the Exchange Act), the Trustee shall prepare and file on behalf of the Trust Fund any Form 10-D required by the Exchange Act, in form and substance as required by the Exchange Act. The Trustee shall file each Form 10-D with a copy of the related Distribution Date Statement and a copy of each report made available by the Credit Risk Manager pursuant to Section 9.34 (provided each such report is made available to the Trustee in a format compatible with EDGAR filing requirements) attached thereto. Any disclosure in addition to the Distribution Date Statement that is required to be included on Form 10-D ("Additional Form 10-D Disclosure") shall be determined and prepared by and at the direction of the Depositor pursuant to the following paragraph and the Trustee will have no duty or liability for any failure hereunder to determine or prepare any Additional Form 10-D Disclosure, except as set forth in the next paragraph.

(ii) As set forth on Exhibit P-1 hereto, within five calendar days after the related Distribution Date, (A) certain parties to the Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 transaction, as identified in Exhibit P-1, shall provide to the Depositor and the Trustee, to the extent known by a responsible officer thereof, in EDGAR-compatible form (which may be Word or Excel documents easily convertible to EDGAR format), or in such other form as otherwise agreed upon by the Trustee and such party, the form and substance of any Additional Form 10-D Disclosure, if applicable, and include with such Additional Form 10-D Disclosure an Additional Disclosure Notification in the form attached hereto as Exhibit P-4 and (B) the Depositor will approve, as to form and substance, or disapprove, as the case may be, the inclusion of the Additional Form 10-D Disclosure on Form 10-D. The Sponsor will be responsible for any reasonable fees and expenses assessed or incurred by the Trustee in connection with including any Additional Form 10-D Disclosure on Form 10-D pursuant to this paragraph.

(iii) After preparing the Form 10-D, the Trustee shall forward electronically a copy of the Form 10-D to the Exchange Act Signing Party for review and approval. If the Master Servicer is the Exchange Act Signing Party and the Form 10-D includes Additional Form 10-D Disclosure, then the Form 10-D shall also be electronically distributed to the Depositor for review and approval. No later than two Business Days prior to the 15<sup>th</sup> calendar day after the related Distribution Date, a duly authorized representative of the Exchange Act Signing Party shall sign the Form 10-D and return an electronic or fax copy of such signed Form 10-D (with an original executed hard copy to follow by overnight mail) to the Trustee. If a Form 10-D cannot be filed on time or if a previously filed Form 10-D needs to be amended, the Trustee will follow the procedures set forth in subsection (g)(ii) of this Section 6.20. Promptly (but no later than one Business Day) after filing with the Commission, the Trustee will make available on its internet website a final executed copy of each Form 10-D prepared and filed by the Trustee. Each party to this Agreement acknowledges that the performance by the Trustee of its duties under this Section 6.20(d) related to the timely preparation and filing of Form 10-D is contingent upon such parties strictly observing all applicable deadlines in the performance of their duties under this Section 6.20(d). The Trustee shall have no liability for any loss, expense, damage, claim arising out of or with respect to any failure to properly prepare and/or timely file such Form 10-D, where such failure results from the Trustee's inability or failure to obtain or receive, on a timely basis, any information from any other party hereto needed to prepare, arrange for execution or file such Form 10-D, not resulting from its own negligence, bad faith or willful misconduct.

(iv) Form 10-D requires the registrant to indicate (by checking "yes" or "no") that it "(1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days." Unless the Depositor has given the Trustee prior notice as provided below, at the date of filing of each report on Form 10-D, the Depositor shall be deemed to represent to the Trustee that, as of such date, the Depositor has filed all such required reports during the preceding 12 months and that it has been subject to such filing requirement for the past 90 days. The Depositor shall notify the Trustee in writing, no later than the fifth calendar day after the related Distribution Date with respect to the filing of a report on Form 10-D if the answer to the questions should be "no." The Trustee shall be entitled to rely on such representations in preparing, executing and/or filing any such report.

(e) Reports Filed on Form 10-K.

(i) Unless and until a Form 15 suspension notice shall have been filed, within 90 days after the end of each fiscal year of the Trust Fund or such earlier date as may be required by the Exchange Act (the "10-K Filing Deadline") (it being understood that the fiscal year for the Trust Fund ends on December 31<sup>st</sup> of each year), commencing in March 2008, the Trustee shall prepare and file on behalf of the Trust Fund a Form 10-K, in form and substance as required by the Exchange Act. Each such Form 10-K shall include the following items, in each case to the extent they have been delivered to the Trustee within the applicable time frames set forth in this Agreement and in the related Servicing Agreements and the related Custodial Agreements, (A) an annual compliance statement for each Servicer, each Additional Servicer and the Master Servicer, as described under Section 9.26 hereof and in each Servicing Agreement, (B)(I) the annual reports on assessment of compliance with servicing criteria for each Servicer, the Custodians, each Additional Servicer, the Master Servicer, the Credit Risk Manager, any Servicing Function Participant, the Paying Agent and the Trustee (each, a "Reporting Servicer"), as described under Section 9.25(a) hereof and in each Servicing Agreement and Custodial Agreement, and (II) if any Reporting Servicer's report on assessment of compliance with servicing criteria described under Section 9.25(a) hereof or in each Servicing Agreement or Custodial Agreement identifies any material instance of noncompliance, disclosure identifying such instance of noncompliance, or if any Reporting Servicer's report on assessment of compliance with servicing criteria described under Section 9.25(a) hereof or in any Servicing Agreement or Custodial Agreement is not included as an exhibit to such Form 10-K, disclosure that such report is not included and an explanation why such report is not included, (C)(I) the registered public accounting firm attestation report for each Reporting Servicer, as described under Section 9.25(b) hereof and in each Servicing Agreement and Custodial Agreement and (II) if any registered public accounting firm attestation report described under Section 9.25(b) hereof or in any Servicing Agreement or Custodial Agreement identifies any material instance of noncompliance, disclosure identifying such instance of noncompliance, or if any such registered public accounting firm attestation report is not included as an exhibit to such Form 10-K, disclosure that such report is not included and an explanation why such report is not included, and (D) a Sarbanes-Oxley Certification. Any disclosure or information in addition to (A) through (D) above that is required to be included on Form 10-K ("Additional Form 10-K Disclosure") shall be determined and prepared by and at the direction of the Depositor pursuant to the following paragraph and the Trustee will have no duty or liability for any failure hereunder to determine or prepare any Additional Form 10-K Disclosure, except as set forth in the next paragraph.

(ii) As set forth on Exhibit P-2 hereto, no later than March 15 of each year that the Trust Fund is subject to the Exchange Act reporting requirements, commencing in 2008, (A) certain parties to the Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 transaction, as identified in Exhibit P-2, shall provide to the Depositor and the Trustee, to the extent known by a responsible officer thereof, in EDGAR-compatible form (which may be Word or Excel documents easily convertible to EDGAR format), or in such other form as otherwise agreed upon by the Trustee and such party, the form and substance of any Additional Form 10-K Disclosure, if applicable, and include with such Additional Form 10-K Disclosure, an Additional Disclosure Notification in the form attached hereto as Exhibit P-4 and (B) the Depositor will approve, as to form and substance, or disapprove, as the case may be, the inclusion of the Additional Form 10-K Disclosure on Form 10-K. The Trustee has no duty under this Agreement to monitor or enforce the performance by the parties listed on Exhibit P-2 of their duties under this paragraph or proactively solicit or procure from such parties any Form 10-K Disclosure Information. The Sponsor will be responsible for any reasonable fees and expenses assessed or incurred by the Trustee in connection with including any Additional Form 10-K Disclosure on Form 10-K pursuant to this paragraph.

(iii) After preparing the Form 10-K, the Trustee shall forward electronically a copy of the Form 10-K to the Exchange Act Signing Party for review and approval. If the Master Servicer is the Exchange Act Signing Party and the Form 10-K includes Additional Form 10-K Disclosure, then the Form 10-K shall also be electronically distributed to the Depositor for review and approval. No later than the close of business New York City time on the fourth Business Day prior to the 10-K Filing Deadline, a senior officer of the Exchange Act Signing Party shall sign the Form 10-K and return an electronic or fax copy of such signed Form 10-K (with an original executed hard copy to follow by overnight mail) to the Trustee. If a Form 10-K cannot be filed on time or if a previously filed Form 10-K needs to be amended, the Trustee will follow the procedures set forth in subsection (g) of this Section 6.20. Promptly (but no later than one Business Day) after filing with the Commission, the Trustee will make available on its internet website a final executed copy of each Form 10-K prepared and filed by the Trustee. The parties to this Agreement acknowledge that the performance by the Trustee of its duties under this Section 6.20(e) related to the timely preparation and filing of Form 10-K is contingent upon such parties (and any Additional Servicer or Servicing Function Participant) strictly observing all applicable deadlines in the performance of their duties under this Section 6.20(e), Section 9.25(a), Section 9.25(b) and Section 9.26. The Trustee shall have no liability for any loss, expense, damage, claim arising out of or with respect to any failure to properly prepare and/or timely file such Form 10-K, where such failure results from the Trustee's inability or failure to obtain or receive, on a timely basis, any information from any other party hereto needed to prepare, arrange for execution or file such Form 10-K, not resulting from its own negligence, bad faith or willful misconduct.

(iv) Each Form 10-K shall include the Sarbanes-Oxley Certification. The Trustee and the Paying Agent (if other than the Trustee) and, if the Depositor is the Exchange Act Signing Party, the Master Servicer, shall, and the Paying Agent, the Trustee and the Master Servicer (if applicable) shall cause any Servicing Function Participant engaged by it to, provide to the Person who signs the Sarbanes-Oxley Certification (the "Certifying Person"), by March 15 of each year in which the Trust Fund is subject to the reporting requirements of the Exchange Act (each, a "Back-Up Certification"), (x) in the case of the Master Servicer, in the form attached hereto as Exhibit Q-1, (y) in the case of the Trustee, the form attached hereto as Exhibit Q-2, and (z) in the case of the Paying Agent, such other form as agreed to between it and the Exchange Act Signing Party, upon which the Certifying Person, the entity for which the Certifying Person acts as an officer, and such entity's officers, directors and Affiliates (collectively with the Certifying Person, "Certification Parties") can reasonably rely. The senior officer of the Exchange Act Signing Party shall serve as the Certifying Person on behalf of the Trust Fund. In the event the Master Servicer, the Trustee, the Paying Agent or any Servicing Function Participant engaged by such parties is terminated or resigns pursuant to the terms of this Agreement, such party or Servicing Function Participant shall provide a Back-Up Certification to the Certifying Person pursuant to this Section 6.20(e)(iv) with respect to the period of time it was subject to this Agreement.

(v) Each person (including their officers or directors) that signs any Form 10-K Certification shall be entitled to indemnification from the Trust Fund for any liability or expense incurred by it in connection with such certification, other than any liability or expense attributable to such Person's own bad faith, negligence or willful misconduct. The provisions of this subsection shall survive any termination of this Agreement and the resignation or removal of such Person.

(vi) Form 10-K requires the registrant to indicate (by checking "yes" or "no") that it "(1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days." Unless the Depositor has given the Trustee prior notice as provided below, at the date of filing of each report on Form 10-K, the Depositor shall be deemed to represent to the Trustee that, as of such date, the Depositor has filed all such required reports during the preceding 12 months and that it has been subject to such filing requirement for the past 90 days. The Depositor shall notify the Trustee in writing, no later than March 15<sup>th</sup> with respect to the filing of a report on Form 10-K, if the answer to the questions should be "no." The Trustee shall be entitled to rely on such representations in preparing, executing and/or filing any such report.



## (f) Reports Filed on Form 8-K.

(i) Within four Business Days after the occurrence of an event requiring disclosure on Form 8-K (each such event, a “Reportable Event”) or such later date as may be required by the Commission, and if requested by the Depositor, the Trustee shall prepare and file on behalf of the Trust Fund any Form 8-K, as required by the Exchange Act; *provided* that the Depositor shall file the initial Form 8-K in connection with the issuance of the Certificates. Any disclosure or information related to a Reportable Event or that is otherwise required to be included on Form 8-K (“Form 8-K Disclosure Information”) shall be determined and prepared by and at the direction of the Depositor pursuant to the following paragraph and the Trustee will have no duty or liability for any failure hereunder to determine or prepare any Form 8-K Disclosure Information or any Form 8-K, except as set forth in the next paragraph.

(ii) As set forth on Exhibit P-3 hereto, for so long as the Trust Fund is subject to the Exchange Act reporting requirements, no later than Noon New York City time on the second Business Day after the occurrence of a Reportable Event (A) certain parties to the Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 transaction, as identified in Exhibit P-3, shall provide to the Depositor and the Trustee, to the extent known by a responsible officer thereof, in EDGAR-compatible form (which may be Word or Excel documents easily convertible to EDGAR format), or in such other form as otherwise agreed upon by the Trustee and such party, the form and substance of any Form 8-K Disclosure Information, if applicable, and include with such Form 8-K Disclosure Information, an Additional Disclosure Notification in the form attached hereto as Exhibit P-4 and (B) the Depositor will approve, as to form and substance, or disapprove, as the case may be, the inclusion of the Form 8-K Disclosure Information. The Trustee has no duty under this Agreement to monitor or enforce the performance by the parties listed on Exhibit P-3 of their duties under this paragraph or proactively solicit or procure from such parties any Form 8-K Disclosure Information. The Sponsor will be responsible for any reasonable fees and expenses assessed or incurred by the Trustee in connection with including any Form 8-K Disclosure Information on Form 8-K pursuant to this paragraph.

(iii) After preparing the Form 8-K, the Trustee shall forward electronically, no later than Noon New York City time on the third Business Day after the Reportable Event, a copy of the Form 8-K to the Exchange Act Signing Party for review and approval. If the Master Servicer is the Exchange Act Signing Party, then the Form 8-K shall also be electronically distributed to the Depositor for review and approval. No later than Noon New York City time on the fourth Business Day after the Reportable Event, a senior officer of the Exchange Act Signing Party shall sign the Form 8-K and return an electronic or fax copy of such signed Form 8-K (with an original executed hard copy to follow by overnight mail) to the Trustee. If a Form 8-K cannot be filed on time or if a previously filed Form 8-K needs to be amended, the Trustee will follow the procedures set forth in subsection (g) of this Section 6.20. Promptly (but no later than one Business Day) after filing with the Commission, the Trustee will make available on its internet website a final executed copy of each Form 8-K prepared and filed by it pursuant to this Section 6.20(f). The parties to this Agreement acknowledge that the performance by the Trustee of its duties under this Section 6.20(f) related to the timely preparation and filing of Form 8-K is contingent upon such parties strictly observing all applicable deadlines in the performance of their duties under this Section 6.20(f). The Trustee shall have no liability for any loss, expense, damage or claim arising out of or with respect to any failure to properly prepare and/or timely file such Form 8-K, where such failure results from the Trustee’s inability or failure to obtain or receive, on a timely basis, any information from any other party hereto needed to prepare, arrange for execution or file such Form 8-K, not resulting from its own negligence, bad faith or willful misconduct.

(g) Suspension of Reporting Obligations; Amendments; Late Filings.

(i) On or before January 30 of the first year in which the Trustee is able to do so under applicable law, unless otherwise directed by the Depositor, the Trustee shall prepare and file a Form 15 relating to the automatic suspension of reporting in respect of the Trust Fund under the Exchange Act. The Paying Agent is entitled to assume that a Form 15 will be filed for such year unless the Trustee notifies the Paying Agent that a Form 15 will not be filed.

(ii) In the event that the Trustee becomes aware that it will be unable to timely file with the Commission all or any required portion of any Form 8-K, 10-D or 10-K required to be filed by this Agreement because required disclosure information was either not delivered to it or delivered to it after the delivery deadlines set forth in this Agreement or for any other reason, the Trustee will promptly notify the Depositor. In the case of Form 10-D and 10-K, the parties to this Agreement and each Servicer will cooperate to prepare and file a Form 12b-25 and a 10-D/A and 10-K/A as applicable, pursuant to Rule 12b-25 of the Exchange Act. In the case of Form 8-K, the Trustee will, upon receipt of all required Form 8-K Disclosure Information and upon the approval and direction of the Depositor, include such disclosure information on the next Form 10-D. In the event that any previously filed Form 8-K, 10-D or 10-K needs to be amended with respect to an additional disclosure item, the Trustee will notify the Depositor and any applicable party affected thereby and such parties will cooperate to prepare any necessary 8-K/A, 10-D/A or 10-K/A. Any Form 15, Form 12b-25 or any amendment to Form 8-K, 10-D or 10-K shall be signed by a senior officer or a duly authorized representative, as applicable, of the Exchange Act Signing Party. The parties to this Agreement acknowledge that the performance by the Trustee of its duties under this Section 6.20(g) related to the timely preparation and filing of Form 15, a Form 12b-25 or any amendment to Form 8-K, 10-D or 10-K is contingent upon each such party performing its duties under this Section. The Trustee shall have no liability for any loss, expense, damage, claim arising out of or with respect to any failure to properly prepare and/or timely file any such Form 15, Form 12b-25 or any amendments to Forms 8-K, 10-D or 10-K, where such failure results from the Trustee's inability or failure to obtain or receive, on a timely basis, any information from any other party hereto needed to prepare, arrange for execution or file such Form 15, Form 12b-25 or any amendments to Forms 8-K, 10-D or 10-K, not resulting from its own negligence, bad faith or willful misconduct.

(h) Any party that signs any Exchange Act report that the Trustee is required to file shall provide to the Trustee prompt notice of the execution of such Exchange Act report along with the name and contact information for the person signing such report and shall promptly deliver to the Trustee the original executed signature page for such report. In addition, each of the parties agrees to provide to the Trustee such additional information related to such party as the Trustee may reasonably request, including evidence of the authorization of the person signing any certification or statement, financial information and reports, and such other information related to such party or its performance hereunder.

(i) The Depositor and the Master Servicer, by mutual agreement, shall determine which of the Depositor or the Master Servicer shall be the initial Exchange Act Signing Party. Upon such determination, the Depositor shall timely notify the Trustee, and such notice shall provide contact information for the Exchange Act Signing Party. If the Depositor and Master Servicer, at any time, mutually agree to change the identity of the Exchange Act Signing Party, the Depositor shall provide timely notice to the Trustee of any such change. Any notice delivered pursuant to this Section 6.20 may be by fax or electronic copy notwithstanding the notice provisions of Section 11.07.

Section 6.21. Reporting Requirements of the Commission.

Each of the parties hereto acknowledges and agrees that the purpose of Sections 6.01 and 6.20 of this Agreement is to facilitate compliance by the Sponsor, the Master Servicer and the Depositor with the provisions of Regulation AB, as such may be amended or clarified from time to time. Therefore, each of the parties agrees that (a) the obligations of the parties hereunder shall be interpreted in such a manner as to accomplish compliance with Regulation AB, (b) the parties' obligations hereunder will be supplemented and modified as necessary to be consistent with any such amendments, interpretive advice or guidance, convention or consensus among active participants in the asset-backed securities markets, advice of counsel, or otherwise in respect of the requirements of Regulation AB and (c) the parties shall comply with reasonable requests made by the Sponsor, the Master Servicer, the Depositor or the Trustee for delivery of additional or different information, to the extent that such information is available or reasonably attainable within such time frame as may be requested, as the Sponsor, the Master Servicer, the Depositor or the Trustee may determine in good faith is necessary to comply with the provisions of Regulation AB.

Section 6.22. No Merger.

The Trustee shall not cause or otherwise knowingly permit the assets of the Trust Fund to be merged or consolidated with any other entity, except as a result of a final judicial determination.

Section 6.23. Indemnification by the Trustee.

The Trustee agrees to indemnify the Depositor and the Master Servicer, and each of their respective directors, officers, employees and agents and the Trust Fund and hold each of them harmless from and against any 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 the engagement of any Subcontractor in violation of Section 6.01(l) or any failure by the Trustee to deliver any information, report, certification, accountants' letter or other material when and as required under this Agreement, including any report under Sections 6.20, 9.25(a) or (b).

ARTICLE VII

PURCHASE OF MORTGAGE LOANS AND  
TERMINATION OF THE TRUST FUND

Section 7.01. Purchase of Mortgage Loans; Termination of Trust Fund Upon Purchase or Liquidation of All Mortgage Loans; Purchase of Lower Tier REMIC 1 Uncertificated Regular Interests.

(a) The respective obligations and responsibilities of the Trustee and the Master Servicer created hereby (other than the obligation of the Trustee to make payments to Certificateholders and the Swap Counterparty as set forth in Section 7.02, the obligation of the Master Servicer to make a final remittance to the Trustee pursuant to Section 4.01 and the obligations of the Master Servicer to the Trustee pursuant to Sections 9.10, 9.14 and 9.31) shall terminate on the earliest of (i) the final payment or other liquidation of the last Mortgage Loan remaining in the Trust Fund and the disposition of all REO Property, (ii) the sale of the property held by the Trust Fund in accordance with Section 7.01(b) and (iii) the Latest Possible Maturity Date (each, a “Trust Fund Termination Event”); *provided, however*, that in no event shall the Trust Fund created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, the late Ambassador of the United States to the Court of St. James’s, living on the date hereof. Upon the occurrence of a Trust Fund Termination Event, each REMIC shall be terminated in a manner that shall qualify as a “qualified liquidation” under the REMIC Provisions.

(b) On any Distribution Date occurring on or after the Initial Optional Termination Date, the Master Servicer or LTURI-holder, as applicable, with the prior written consent of any NIMS Insurer and the Seller, which consent shall not be unreasonably withheld, has the option to cause the Trust Fund to adopt a plan of complete liquidation pursuant to Section 7.03(a)(i) hereof to sell all of its property (each such option, a "Call Option"); *provided, however*, that any purchase of the Trust Fund's property on or before the Distribution Date that is one year after the Initial Optional Termination Date shall be made by the Bid Holder pursuant to Section 7.01(d) below. Upon exercise of such option, the property of the Trust Fund shall be sold to the Master Servicer at a price (the "Termination Price") equal to the sum of (i) 100% of the unpaid principal balance of each Mortgage Loan on the day of such purchase plus interest accrued thereon at the applicable Mortgage Rate with respect to any Mortgage Loan to the Due Date in the Collection Period immediately preceding the related Distribution Date to the date of such repurchase, (ii) the fair market value of any REO Property and any other property held by any REMIC, such fair market value to be determined by an independent appraiser or appraisers mutually agreed upon by the Master Servicer, any NIMS Insurer and the Trustee (reduced, in the case of REO Property, by (1) reasonably anticipated disposition costs and (2) any amount by which the fair market value as so reduced exceeds the outstanding principal balance of the related Mortgage Loan plus interest accrued thereon at the applicable Net Mortgage Rate to the date of such purchase), (iii) any unreimbursed Servicing Advances and (iv) any Net Swap Payments then remaining unpaid and any Swap Termination Payment payable to the Swap Counterparty as a result of a termination pursuant to this Section 7.01; *provided, however*, if there are any NIM Securities outstanding, the Master Servicer may only exercise its option after receiving the prior written consent of the holders of such NIM Securities and, if such consent is given, the Termination Price shall also include an amount equal to the sum of (1) any accrued interest on the NIM Securities, (2) the unpaid principal balance of any such NIM Securities and (3) any other reimbursable expenses owed by the issuer of the NIM Securities (the "NIM Redemption Amount"). The Master Servicer, each Servicer, the Trustee and the Custodians shall be reimbursed from the Termination Price for any Mortgage Loan or related REO Property for any Advances made or other amounts advanced with respect to the Mortgage Loans that are reimbursable to any such entity under this Agreement, the applicable Servicing Agreement or the Custodial Agreement, together with any accrued and unpaid compensation and any other amounts due to the Master Servicer or the Trustee hereunder or the Servicers or the Custodians. If the NIMS Insurer directs the Master Servicer to exercise its right to cause the Trust Fund to adopt a plan of complete liquidation as described above, then (i) the Master Servicer shall cause the Trust Fund to adopt a plan of complete liquidation as described above, (ii) the NIMS Insurer shall remit the Termination Price in immediately available funds to the Master Servicer at least three Business Days prior to the applicable Distribution Date and, upon receipt of such funds from the NIMS Insurer, the Master Servicer shall promptly deposit such funds in the Collection Account and (iii) upon termination of the Trust Fund, the Trustee will transfer the property of the Trust Fund to the NIMS Insurer. The NIMS Insurer shall be obligated to reimburse the Master Servicer and the Trustee for its reasonable out-of-pocket expenses incurred in connection with its termination of the Trust Fund at the direction of the NIMS Insurer and shall indemnify and hold harmless the Master Servicer and the Trustee for any losses, liabilities or expenses resulting from any claims arising out of or relating to the Master Servicer's termination of the Trust Fund at the direction of the NIMS Insurer, except to the extent such losses, liabilities or expenses arise out of or result from the Master Servicer's negligence, bad faith or willful misconduct.

(c) On any Distribution Date occurring on or after the Initial Optional Termination Date and provided there are no NIM Securities outstanding, the Master Servicer, with the prior written consent of the Seller, which consent shall not be unreasonably withheld, has the option to purchase all of the Lower Tier REMIC 1 Uncertificated Regular Interests. Upon exercise of such option, the Lower Tier REMIC 1 Uncertificated Regular Interests shall be sold to the Master Servicer at a price (the "Lower Tier REMIC 1 Uncertificated Regular Interests Purchase Price") equal to the sum of (i) 100% of the unpaid principal balance of each Mortgage Loan on the day of such purchase plus interest accrued thereon at the applicable Mortgage Rate with respect to any Mortgage Loan to the Due Date in the Collection Period immediately preceding the related Distribution Date to the date of such repurchase and (ii) the fair market value of any REO Property and any other property held by any REMIC, such fair market value to be determined by an independent appraiser or appraisers mutually agreed upon by the Master Servicer, any NIMS Insurer and the Trustee (reduced, in the case of REO Property, by (1) reasonably anticipated disposition costs and (2) any amount by which the fair market value as so reduced exceeds the outstanding principal balance of the related Mortgage Loan plus interest accrued thereon at the applicable Net Mortgage Rate to the date of such purchase). If the Master Servicer elects to exercise such option, each REMIC created pursuant to this Agreement (other than REMIC 1) shall be terminated in such a manner so that the termination of each such REMIC shall qualify as a "qualified liquidation" under the REMIC Provisions and the Lower Tier REMIC 1 Uncertificated Regular Interests and the Class LT-R Certificates will evidence the entire beneficial interest in the property of the Trust Fund. Following a purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests pursuant to this subsection, the Trust Fund (and REMIC 1) will remain outstanding and final payment on the Certificates (other than the Class LT-R Certificates) will be made in accordance with Sections 7.03(a)(iii) and 5.02. The Trust Fund will terminate upon the occurrence of a Trust Fund Termination Event, in accordance with Section 7.01(a).

(d) (i) Prior to exercising the Call Option pursuant to Section 7.01(b) or the Regular Interests Purchase Option pursuant to Section 7.01(c), the Master Servicer shall on the first Business Day of the month of the occurrence of the Initial Optional Termination Date, and for so long as the Master Servicer shall not have exercised the Call Option or the Regular Interests Purchase Option, on the first Business Day of each succeeding month (each, a “Bid Month”), the Master Servicer shall give written notice in the form attached hereto as Exhibit Y (the “Call Option Notice”) to each Call Option Holder.

(ii) Not later than three (3) Business Days prior to the related Bid Due Date, the Master Servicer shall give written notice to each Call Option Holder of the Termination Price for the related Distribution Date.

(iii) Not later than the 15th day (or if such date is not a Business Day, the immediately succeeding Business Day) of each Bid Month (the “Bid Due Date”), if any Call Option Holder desires that the Master Servicer exercise the option to purchase the Mortgage Loans and certain other property of the Trust Fund, such Call Option Holder shall give written notice in the form attached hereto as Exhibit Z (the “Purchaser Call Option Notice”) to the Master Servicer, requesting that the Master Servicer exercise such option on behalf of such Call Option Holder. The Purchaser Call Option Notice shall include the amount to be paid by a Call Option Holder with respect to the proceeds or assets to be received by the Master Servicer for the Mortgage Loans and certain other property of the Trust Fund (the “Bid Price”); *provided*, that the Bid Price must be equal to or greater than the Termination Price.

(iv) One (1) Business Day after the related Bid Due Date, the Master Servicer shall notify the Call Option Holder, if any, that has submitted the highest Bid Price (the “Bid Holder”) that such Bid Holder has the right to direct the Master Servicer to exercise the option to purchase the Mortgage Loans and certain other property of the Trust Fund. The Master Servicer shall thereafter notify any Call Option Holder that did not submit the highest Bid Price (or did not submit a Purchaser Call Option Notice) of the amount of the highest Bid Price. If two or more Call Option Holder shall have bid the same Bid Price, the Bid Holder shall be the Call Option Holder with the greater Percentage Interest in the NIM Residual Securities or Class X Certificates, as applicable. If the Master Servicer does not receive any Purchaser Call Option Notices by such Bid Due Date, or if no Purchaser Call Option Notice specifies a Bid Price equal to or greater than the Termination Price, then the Master Servicer shall not exercise the option to purchase the Mortgage Loans and certain other property of the Trust Fund on such Distribution Date (other than in accordance with clause (vii) below).

(v) Not later than three (3) Business Days immediately preceding the Distribution Date in the related Bid Month, the Bid Holder shall remit the Bid Price as specified in the Purchaser Call Option Notice to the Master Servicer, in immediately available funds. Upon receipt of such funds from the Bid Holder, the Master Servicer shall promptly deposit the Termination Price in the Collection Account for subsequent deposit in the Certificate Account in accordance with this Trust Agreement. Any amounts received by the Master Servicer from the Bid Holder in excess of the Termination Price shall be remitted to the Trustee for distribution to the Call Option Holders. In no event shall any such excess be treated as being paid by any REMIC created hereby.

(vi) If the Bid Holder directs the Master Servicer to exercise the option to purchase the Mortgage Loans and certain other property of the Trust Fund, then the Master Servicer shall (i) cause the Trust Fund to adopt a plan of complete liquidation pursuant to Section 7.03(a)(i) hereof to sell all of its property and (ii) instruct the Trustee upon termination of the Trust Fund to transfer the property of the Trust Fund to the Bid Holder. The Bid Holder shall be obligated to reimburse the Master Servicer for its reasonable out-of-pocket expenses incurred in connection with its exercise of the option to purchase the Mortgage Loans and certain other property of the Trust Fund and to indemnify and hold harmless the Master Servicer for any losses, liabilities or expenses resulting from any claims directly resulting from or relating to the Master Servicer's exercise of such option, except to the extent such losses, liabilities or expenses arise out of or result from the Master Servicer's negligence, bad faith or willful misconduct. The terms of such expense reimbursement and the extent of such indemnity may be amended accordant to an agreement between the Master Servicer and the Bid Holder.

(vii) Commencing on the Distribution Date of the one year anniversary of the Initial Optional Termination Date, and on each Distribution Date thereafter, the Master Servicer shall have the right to exercise the Call Option or the Regular Interests Purchase Option. If the Master Servicer desires to exercise the Call Option or the Regular Interests Purchase Option, the Master Servicer shall notify the Call Option Holders pursuant to a Call Option Notice that it desires to exercise such Call Option or such Regular Interest Purchase Option, as applicable, on the immediately succeeding Distribution Date. If one or more Call Option Holders submit a Purchaser Call Option Notice on or before the immediately succeeding Bid Due Date, then, the Master Servicer shall follow the procedures set forth in clauses (iv) through (vi) above. However, if no Call Option Holder submits a Purchaser Call Option Notice on or before the immediately succeeding Bid Due Date, then, on the immediately succeeding Distribution Date, the Master Servicer may exercise the its right to purchase the Mortgage Loans and other property of the Trust Fund pursuant to Section 7.01(b) or the Lower Tier REMIC 1 Uncertificated Regular Interests pursuant to Section 7.01(c).

Section 7.02. Procedure Upon Termination of Trust Fund or Purchase of Lower Tier REMIC 1 Uncertificated Regular Interests.

(a) Notice of any Trust Fund Termination Event and notice of the purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests, specifying the Distribution Date upon which the final distribution to the Certificates (other than the Class LT-R Certificates, in the case of a purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests) shall be made, shall be given by the Trustee by first class mail to Certificateholders mailed promptly (and in no event later than five Business Days) (x) after the Trustee has received notice from the Master Servicer or the LTURI-holder, as applicable, of its election to cause (1) the sale of all of the property of the Trust Fund pursuant to Section 7.01(b) or (2) the purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests pursuant to Section 7.01(c), or (y) upon the final payment or other liquidation of the last Mortgage Loan or REO Property in the Trust Fund. In the case of a Trust Fund Termination Event, the Trustee shall also give notice to the Master Servicer, the Swap Counterparty, the Cap Counterparty and the Certificate Registrar at the time notice is given to Holders.

In the case of a Trust Fund Termination Event, such notice shall specify (A) the Distribution Date upon which final distribution on the Certificates or Lower Tier REMIC 1 Uncertificated Regular Interests of all amounts required to be distributed to Certificateholders pursuant to Section 5.02 will be made upon presentation and surrender of the Certificates at the Corporate Trust Office, and (B) that the Record Date otherwise applicable to such Distribution Date is not applicable, distribution being made only upon presentation and surrender of the Certificates at the office or agency of the Trustee therein specified. Upon any such Trust Fund Termination Event, the duties of the Certificate Registrar with respect to the Certificates or Lower Tier REMIC 1 Uncertificated Regular Interests shall terminate and the Trustee shall terminate or request the Master Servicer to terminate, the Collection Account it maintains, the Certificate Account and any other account or fund maintained with respect to the Certificates or Lower Tier REMIC 1 Uncertificated Regular Interests, subject to the Trustee's obligation hereunder to hold all amounts payable to Certificateholders in trust without interest pending such payment.

In the case of a purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests, such notice shall specify (A) the Distribution Date upon which final distribution on the Certificates (other than the Class LT-R Certificates) of all amounts required to be distributed to Certificateholders pursuant to Section 5.02 (other than any distributions to the Class LT-R Certificates in respect of REMIC 1) will be made upon presentation and surrender of the Certificates (other than the Class LT-R Certificates) at the Corporate Trust Office, and (B) that the Record Date otherwise applicable to such Distribution Date is not applicable, distribution being made only upon presentation and surrender of the Certificates (other than the Class LT-R Certificates) at the office or agency of the Trustee therein specified. Upon any such purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests, the duties of the Certificate Registrar with respect to the Certificates other than the Class LT-R Certificate shall terminate but the Trustee shall not terminate or request the Master Servicer to terminate, the Collection Account it maintains, the Certificate Account and any other account or fund maintained with respect to the Certificates, subject to the Trustee's obligation hereunder to hold all amounts payable to Certificateholders in trust without interest pending such payment. For all Distribution Dates following the Distribution Date on which the Master Servicer purchases the Lower Tier REMIC 1 Uncertificated Regular Interests, all amounts that would be distributed on the Certificates (other than the Class LT-R Certificate and exclusive of amounts payable from any fund held outside of REMIC 1) absent such purchase shall be payable to the LTURI-holder.



(b) In the event that all of the Holders do not surrender their Certificates for cancellation within three months after the time specified in the above-mentioned written notice, the Trustee shall give a second written notice to the remaining Certificateholders to surrender their Certificates for cancellation and receive the final distribution with respect thereto. If within one year after the second notice any Certificates shall not have been surrendered for cancellation, the Trustee may take appropriate steps to contact the remaining Certificateholders concerning surrender of such Certificates, and the cost thereof shall be paid out of the amounts distributable to such Holders. If within two years after the second notice any Certificates shall not have been surrendered for cancellation, the Trustee shall, subject to applicable state law relating to escheatment, hold all amounts distributable to such Holders for the benefit of such Holders. No interest shall accrue on any amount held by the Trustee and not distributed to a Certificateholder due to such Certificateholder's failure to surrender its Certificate(s) for payment of the final distribution thereon in accordance with this Section.

(c) Any reasonable expenses incurred by the Trustee in connection with any Trust Fund Termination Event or any purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests shall be reimbursed from proceeds received from such termination or purchase.

Section 7.03. Additional Trust Fund Termination Event or Purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests.

(a) Any termination of the Trust Fund pursuant to Section 7.01(a) or any termination of a REMIC pursuant to Section 7.01(c) shall be effected in accordance with the following additional requirements, unless the Trustee seeks (at the request of the party exercising the option to purchase all of the Mortgage Loans or Lower Tier REMIC 1 Uncertificated Regular Interests pursuant to Section 7.01(b) or Section 7.01(c), respectively), and subsequently receives, an Opinion of Counsel (at the expense of such requesting party), addressed to the Trustee and any NIMS Insurer to the effect that the failure to comply with the requirements of this Section 7.03 will not result in an Adverse REMIC Event:

(i) Within 89 days prior to the time of the making of the final payment on the Certificates (other than the Class LT-R Certificates, in the case of a purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests, upon notification by the Master Servicer, the Trustee, any NIMS Insurer or an Affiliate of the Seller that it intends to exercise its option to cause the termination of the Trust Fund or purchase the Lower Tier REMIC 1 Uncertificated Regular Interests, the Trustee shall adopt a plan of complete liquidation on behalf of each REMIC (other than REMIC 1, in the case of a purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests), meeting the requirements of a qualified liquidation under the REMIC Provisions;

(ii) Any sale of the assets of the Trust Fund or the Lower Tier REMIC 1 Uncertificated Regular Interests pursuant to Section 7.02 shall be a sale for cash and shall occur at or after the time of adoption of such a plan of complete liquidation and prior to the time of making of the final payment on the Certificates (other than the Class LT-R Certificates, in the case of a purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests);

(iii) On the date specified for final payment of the Certificates (other than the Class LT-R Certificates, in the case of a purchase of the Lower Tier REMIC 1 Uncertificated Regular Interests), the Trustee shall make final distributions of principal and interest on such Certificates and shall pay, in the case of a Trust Fund Termination Event, any Net Swap Payment then remaining unpaid and any Swap Termination Payment owed to the Swap Counterparty on the related Swap Payment Date (in each case to the extent not paid on previous Swap Payment Dates) in accordance with Section 5.01 and Section 5.02. In the case of a Trust Fund Termination Event, and, after payment of, or provision for any outstanding expenses, the Trustee shall distribute or credit, or cause to be distributed or credited, to the Holders of the Residual Certificates all cash on hand after such final payment (other than cash retained to meet claims), and the Trust Fund (and each REMIC) shall terminate at that time; and

(iv) In no event may the final payment on the Certificates or the final distribution or credit to the Holders of the Residual Certificates in respect of the residual interest in any liquidated REMIC be made after the 89th day from the date on which the plan of complete liquidation for such REMIC is adopted.

(b) By its acceptance of a Residual Certificate, each Holder thereof hereby agrees to accept the plan of complete liquidation prepared by the Depositor and adopted by the Trustee under this Section and to take such other action in connection therewith as may be reasonably requested by the Master Servicer or any Servicer.

(c) In connection with the termination of the Trust Fund, or a Section 7.01(c) Purchase Event, the Trustee may request an Opinion of Counsel addressed to the Trustee (at the expense of the Depositor) to the effect that all the requirements of a qualified liquidation under the REMIC Provisions have been met.

Section 7.04. Optional Repurchase Right.

The NIMS Insurer, if any, may repurchase any Distressed Mortgage Loan for a purchase price equal to the outstanding principal balance of such Mortgage Loan, plus accrued interest thereon to the date of repurchase plus any unreimbursed Advances, Servicing Advances or Servicing Fees allocable to such Distressed Mortgage Loan. Any such repurchase shall be accomplished by the NIMS Insurer's remittance of the purchase price for the Distressed Mortgage Loan to the Master Servicer for deposit into the Collection Account. The NIMS Insurer shall not use any procedure in selecting Distressed Mortgage Loans to be repurchased which would be materially adverse to Certificateholders.

ARTICLE VIII

RIGHTS OF CERTIFICATEHOLDERS

Section 8.01. Limitation on Rights of Holders.

(a) The death or incapacity of any Certificateholder shall not operate to terminate this Agreement or this Trust Fund, nor entitle such Certificateholder's legal representatives or heirs to claim an accounting or take any action or proceeding in any court for a partition or winding up of this Trust Fund, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them. Except as otherwise expressly provided herein, no Certificateholder, solely by virtue of its status as a Certificateholder, shall have any right to vote or in any manner otherwise control the Master Servicer or the operation and management of the Trust Fund, or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Certificates, be construed so as to constitute the Certificateholders from time to time as partners or members of an association, nor shall any Certificateholder be under any liability to any third person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

(b) No Certificateholder, solely by virtue of its status as Certificateholder, shall have any right by virtue or by availing of any provision of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Holder previously shall have given to the Trustee a written notice of an Event of Default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of Certificates evidencing not less than 25% of the Class Principal Amount (or Percentage Interest) of Certificates of each Class affected thereby shall, with the prior written consent of any NIMS Insurer, have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the cost, expenses and liabilities to be incurred therein or thereby, and the Trustee, for sixty days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request has been given the Trustee during such sixty-day period by such Certificateholders or any NIMS Insurer; it being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder, any NIMS Insurer and the Trustee, that no one or more Holders of Certificates shall have any right in any manner whatever by virtue or by availing of any provision of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of such Certificates or the rights of any NIMS Insurer, or to obtain or seek to obtain priority over or preference to any other such Holder or any NIMS Insurer, or to enforce any right under this Agreement, except in the manner herein provided and for the benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section, each and every Certificateholder, the NIMS Insurer and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 8.02. Access to List of Holders.

(a) If the Trustee is not acting as Certificate Registrar, the Certificate Registrar will furnish or cause to be furnished to the Trustee and any NIMS Insurer, within fifteen days after receipt by the Certificate Registrar of a request by the Trustee or any NIMS Insurer in writing, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Certificateholders of each Class as of the most recent Record Date.

(b) If any NIMS Insurer or three or more Holders or Certificate Owners (hereinafter referred to as “Applicants”) apply in writing to the Trustee, and such application states that the Applicants desire to communicate with other Holders with respect to their rights under this Agreement or under the Certificates and is accompanied by a copy of the communication which such Applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, afford such Applicants reasonable access during the normal business hours of the Trustee to the most recent list of Certificateholders held by the Trustee or shall, as an alternative, send, at the Applicants’ expense, the written communication proffered by the Applicants to all Certificateholders at their addresses as they appear in the Certificate Register.

(c) Every Holder or Certificate Owner, if the Holder is a Clearing Agency, by receiving and holding a Certificate, agrees with the Depositor, the Master Servicer, any NIMS Insurer, the Certificate Registrar and the Trustee that neither the Depositor, the Master Servicer, any NIMS Insurer, the Certificate Registrar nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Certificateholders hereunder, regardless of the source from which such information was derived.

Section 8.03. Acts of Holders of Certificates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by Holders or Certificate Owner, if the Holder is a Clearing Agency, may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where expressly required herein, to the Master Servicer. Such instrument or instruments (as the action embodies therein and evidenced thereby) are herein sometimes referred to as an “Act” of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agents shall be sufficient for any purpose of this Agreement and conclusive in favor of the Trustee and the Master Servicer, if made in the manner provided in this Section. Each of the Trustee and the Master Servicer shall promptly notify the others of receipt of any such instrument by it, and shall promptly forward a copy of such instrument to the others.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments or deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the individual executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Certificates or Lower Tier REMIC 1 Uncertificated Regular Interests (whether or not such Certificates or Lower Tier REMIC 1 Uncertificated Regular Interests shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Trustee) shall be proved by the Certificate Register, and none of the Trustee, the Master Servicer, the NIMS Insurer, or the Depositor shall be affected by any notice to the contrary.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Certificate or Lower Tier REMIC 1 Uncertificated Regular Interest shall bind every future Holder of the same Certificate or Lower Tier REMIC 1 Uncertificated Regular Interest and the Holder of every Certificate or Lower Tier REMIC 1 Uncertificated Regular Interest issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee or the Master Servicer in reliance thereon, whether or not notation of such action is made upon such Certificate or Lower Tier REMIC 1 Uncertificated Regular Interest.

## ARTICLE IX

### ADMINISTRATION AND SERVICING OF MORTGAGE LOANS BY THE MASTER SERVICER; CREDIT RISK MANAGER

#### Section 9.01. Duties of the Master Servicer.

The Certificateholders, by their purchase and acceptance of the Certificates or Lower Tier REMIC 1 Uncertificated Regular Interests, appoint Aurora Loan Services LLC, as Master Servicer. For and on behalf of the Depositor, the Trustee and the Certificateholders, the Master Servicer shall master service the Mortgage Loans in accordance with the provisions of this Agreement and the provisions of each Servicing Agreement. Notwithstanding anything in this Agreement, any Servicing Agreement or any Credit Risk Management Agreement to the contrary, the Master Servicer shall have no duty or obligation to enforce any Credit Risk Management Agreement or to supervise, monitor or oversee the activities of any Servicer under its Credit Risk Management Agreement with respect to any action taken or not taken by a Servicer at the direction of the Seller or pursuant to a recommendation of the Credit Risk Manager.

#### Section 9.02. Master Servicer Fidelity Bond and Master Servicer Errors and Omissions Insurance Policy.

(a) The Master Servicer, at its expense, shall maintain in effect a Master Servicer Fidelity Bond and a Master Servicer Errors and Omissions Insurance Policy, affording coverage with respect to all directors, officers, employees and other Persons acting on such Master Servicer's behalf, and covering errors and omissions in the performance of the Master Servicer's obligations hereunder. The Master Servicer Errors and Omissions Insurance Policy and the Master Servicer Fidelity Bond shall be in such form and amount that would be consistent with coverage customarily maintained by master servicers of mortgage loans similar to the Mortgage Loans and the Master Servicer shall provide the Trustee and any NIMS Insurer upon request, with a copy of such policy and fidelity bond. The Master Servicer shall (i) require each Servicer to maintain an Errors and Omissions Insurance Policy and a Servicer Fidelity Bond in accordance with the provisions of the applicable Servicing Agreement, (ii) cause each Servicer to provide to the Master Servicer certificates evidencing that such policy and bond is in effect and to furnish to the Master Servicer any notice of cancellation, non-renewal or modification of the policy or bond received by it, as and to the extent provided in the applicable Servicing Agreement, and (iii) furnish copies of such policies and of the certificates and notices referred to in clause (ii) to the Trustee upon request.

(b) The Master Servicer shall promptly report to the Trustee and any NIMS Insurer any material changes that may occur in the Master Servicer Fidelity Bond or the Master Servicer Errors and Omissions Insurance Policy and shall furnish to the Trustee and any NIMS Insurer, on request, certificates evidencing that such bond and insurance policy are in full force and effect. The Master Servicer shall promptly report to the Trustee and any NIMS Insurer all cases of embezzlement or fraud, if such events involve funds relating to the Mortgage Loans. The total losses, regardless of whether claims are filed with the applicable insurer or surety, shall be disclosed in such reports together with the amount of such losses covered by insurance. If a bond or insurance claim report is filed with any of such bonding companies or insurers, the Master Servicer shall promptly furnish a copy of such report to the Trustee and any NIMS Insurer. Any amounts relating to the Mortgage Loans collected by the Master Servicer under any such bond or policy shall be promptly remitted by the Master Servicer to the Trustee for deposit into the Certificate Account. Any amounts relating to the Mortgage Loans collected by the applicable Servicer under any such bond or policy shall be remitted to the Master Servicer to the extent provided in the applicable Servicing Agreement.

Section 9.03. Master Servicer's Financial Statements and Related Information.

For each year this Agreement is in effect, the Master Servicer shall submit to each Rating Agency and the Depositor a copy of the annual audited financial statements of its parent on or prior to March 31st of each year commencing on March 31, 2008. Such financial statements shall include comparative balance sheets, income statements, statement of changes in shareholder's equity, statements of cash flows, a consolidating schedule showing consolidated subsidiaries and any related notes required pursuant to generally accepted accounting principles, certified by a nationally recognized firm of Independent Accountants to the effect that such financial statements were examined and prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Section 9.04. Power to Act; Procedures.

(a) The Master Servicer shall master service the Mortgage Loans and shall have full power and authority, subject to the REMIC Provisions and the provisions of Article X hereof, and each Servicer shall have full power and authority (to the extent provided in the applicable Servicing Agreement) to do any and all things that it may deem necessary or desirable in connection with the servicing and administration of the Mortgage Loans, including but not limited to the power and authority (i) to execute and deliver, on behalf of the Certificateholders and the Trustee, customary consents or waivers and other instruments and documents, (ii) to consent to transfers of any Mortgage Property and assumptions of the Mortgage Notes and

related Mortgages, (iii) to collect any Insurance Proceeds and Liquidation Proceeds, and (iv) to effectuate foreclosure or other conversion of the ownership of the Mortgaged Property securing any Mortgage Loan, in each case, in accordance with the provisions of this Agreement and the applicable Servicing Agreement, as applicable; provided that the Master Servicer shall not take, or knowingly permit any Servicer to take, any action that is inconsistent with or prejudices the interests of the Trust Fund or the Certificateholders in any Mortgage Loan or the rights and interests of the Depositor, the Trustee, the Certificateholders under this Agreement. The Master Servicer shall represent and protect the interests of the Trust Fund in the same manner as it protects its own interests in mortgage loans in its own portfolio in any claim, proceeding or litigation regarding a Mortgage Loan and shall not make or knowingly permit any Servicer to make any modification, waiver or amendment of any term of any Mortgage Loan that would cause an Adverse REMIC Event. Without limiting the generality of the foregoing, the Master Servicer in its own name or in the name of a Servicer, and each Servicer, to the extent such authority is delegated to such Servicer under the applicable Servicing Agreement, is hereby authorized and empowered by the Trustee when the Master Servicer or such Servicer, as the case may be, believes it appropriate in its best judgment and in accordance with Accepted Servicing Practices and the applicable Servicing Agreement, to execute and deliver, on behalf of itself and the Certificateholders, the Trustee or any of them, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge and all other comparable instruments, with respect to the Mortgage Loans and with respect to the Mortgaged Properties. The Trustee shall furnish to the Master Servicer, upon request, with any powers of attorney empowering the Master Servicer or any Servicer to execute and deliver instruments of satisfaction or cancellation, or of partial or full release or discharge, and to foreclose upon or otherwise liquidate Mortgaged Property, and to appeal, prosecute or defend in any court action relating to the Mortgage Loans or the Mortgaged Property, in accordance with the applicable Servicing Agreement and this Agreement, and the Trustee shall execute and deliver such other documents, as the Master Servicer may request, necessary or appropriate to enable the Master Servicer to master service the Mortgage Loans and carry out its duties hereunder and to allow each Servicer to service the Mortgage Loans, in each case in accordance with Accepted Servicing Practices (and the Trustee shall have no liability for misuse of any such powers of attorney by the Master Servicer or any Servicer). If the Master Servicer or the Trustee has been advised that it is likely that the laws of the state in which action is to be taken prohibit such action if taken in the name of the Trustee or that the Trustee would be adversely affected under the “doing business” or tax laws of such state if such action is taken in its name, then upon request of the Trustee the Master Servicer shall join with the Trustee in the appointment of a co-trustee pursuant to Section 6.09 hereof. In no event shall the Master Servicer, without the Trustee’s written consent: (i) initiate any action, suit or proceeding solely under the Trustee’s name without indicating the Master Servicer in its applicable, representative capacity, so long as the jurisdictional and procedural rules will allow for this insertion to occur, (ii) initiate any action, suit or proceeding not directly relating to the servicing of a Mortgage Loan (including but not limited to actions, suits or proceedings against Certificateholders, or against the Depositor or the Transferor for breaches of representations and warranties) solely under the Trustee’s name, (iii) engage counsel to represent the Trustee in any action, suit or proceeding not directly relating to the servicing of a Mortgage Loan (including but not limited to actions, suits or proceedings against Certificateholders, or against the Depositor or the Transferor for breaches of representations and warranties), or (iv) prepare, execute or deliver any government filings, forms, permits, registrations or other documents or take any action with the intent to cause, and that actually causes, the Trustee to be registered to do business in any state. The Master Servicer shall indemnify the Trustee for any and all costs, liabilities and expenses incurred by the Trustee in connection with the negligent or willful misuse of such powers of attorney by the Master Servicer. In the performance of its duties hereunder, the Master Servicer shall be an independent contractor and shall not, except in those instances where it is taking action in the name of the Trustee on behalf of the Trust Fund, be deemed to be the agent of the Trustee.

(b) In master servicing and administering the Mortgage Loans, the Master Servicer shall employ procedures and exercise the same care that it customarily employs and exercises in master servicing and administering loans for its own account, giving due consideration to Accepted Servicing Practices where such practices do not conflict with this Agreement. Consistent with the foregoing, the Master Servicer may, and may permit any Servicer to, in its discretion (i) waive any late payment charge (but not any Prepayment Premium, except as set forth below) and (ii) extend the due dates for payments due on a Mortgage Note for a period not greater than 120 days; *provided, however*, that the maturity of any Mortgage Loan shall not be extended past the date on which the final payment is due on the latest maturing Mortgage Loan as of the Cut-off Date. In the event of any extension described in clause (ii) above, the Master Servicer shall make or cause such Servicer (if required by the applicable Servicing Agreement) to make Advances on the related Mortgage Loan in accordance with the provisions of Section 5.04 on the basis of the amortization schedule of such Mortgage Loan without modification thereof by reason of such extension. Notwithstanding anything to the contrary in this Agreement, the Master Servicer shall not make or knowingly permit any modification, waiver or amendment of any material term of any Mortgage Loan, unless: (1) such Mortgage Loan is in default or default by the related Mortgagor is, in the reasonable judgment of the Master Servicer or the related Servicer, reasonably foreseeable, (2) in the case of a waiver of a Prepayment Premium, (a) such Mortgage Loan is in default or default by the related Mortgagor is, in the reasonable judgment of the Master Servicer or the related Servicer, reasonably foreseeable and such waiver would maximize recovery of total proceeds taking into account the value of such Prepayment Premium and the related Mortgage Loan or (b) if the prepayment is not the result of a refinance by the Servicer or any of its affiliates and (i) such Mortgage Loan is in default or default by the related Mortgagor is, in the reasonable judgment of the Master Servicer or the related Servicer, reasonably foreseeable and such waiver would maximize recovery of total proceeds taking into account the value of such Prepayment Premium and the related Mortgage Loan or (ii) the collection of the Prepayment Premium would be in violation of applicable law or (iii) the collection of such Prepayment Premium would be considered “predatory” pursuant to written guidance published or issued by any applicable federal, state or local regulatory authority acting in its official capacity and having jurisdiction over such matters and (3) the Master Servicer shall have provided or caused to be provided to the Trustee an Opinion of Counsel addressed to the Trustee (which opinion shall, if provided by the Master Servicer, be an expense reimbursed from the Collection Account pursuant to Section 4.02(v)) to the effect that such modification, waiver or amendment would not result in an Adverse REMIC Event; provided, in no event shall an Opinion of Counsel be required for the waiver of a Prepayment Premium under clause (2) above.



(c) As an alternative permitting a modification or effectuating a foreclosure or other conversion of the ownership of a Mortgaged Property, the Master Servicer may, at its option, purchase any Mortgage Loan that has become one hundred and twenty (120) days or more delinquent in payment; *provided, however*, that (i) the Master Servicer promptly notifies the related Servicer of its intention to purchase any such delinquent Mortgage Loan prior to its purchase and (ii) that the Master Servicer shall exercise any such option to purchase a Mortgage Loan within sixty (60) days after any such Mortgage Loan has become one hundred and twenty (120) days delinquent. The price at which the Master Servicer shall purchase any such delinquent Mortgage Loan shall equal the Purchase Price and such amount shall be deposited into the Collection Account on the date of purchase pursuant to Section 4.01(d)(viii). Upon receipt by the Trustee of a written certification from the Master Servicer that the Master Servicer has exercised such option and deposited the full amount of the Purchase Price of the related Mortgage Loan in the Collection Account and delivery of a Request for Release of Documents (on the form attached hereto as Exhibit C or in the form attached to the related Custodial Agreement), the applicable Custodian shall release the related Mortgage File to or upon the order of the Master Servicer, and at the written request of the Master Servicer the Trustee shall execute and deliver such instruments of transfer or assignment, in each case without recourse, representation or warranty, as shall be necessary to vest title to such Mortgage Loan in the Master Servicer or its designee, which instruments shall be prepared by the Master Servicer.

Section 9.05. Enforcement of Servicer's and Master Servicer's Obligations.

(a) Each Servicing Agreement requires the applicable Servicer, respectively, to service the Mortgage Loans in accordance with the provisions thereof. References in this Agreement to actions taken or to be taken by the Master Servicer include actions taken or to be taken by a Servicer on behalf of the Master Servicer. Any fees and other amounts payable to a Servicer shall be deducted from amounts remitted to the Master Servicer by such Servicer (to the extent permitted by the applicable Servicing Agreement) and shall not be an obligation of the Trust Fund, the Trustee or the Master Servicer.

(b) The Master Servicer shall not be required to (i) take any action with respect to the servicing of any Mortgage Loan that the related Servicer is not required to take under the related Servicing Agreement and (ii) cause a Servicer to take any action or refrain from taking any action if the related Servicing Agreement does not require such Servicer to take such action or refrain from taking such action; in both cases notwithstanding any provision of this Agreement that requires the Master Servicer to take such action or cause such Servicer to take such action.

(c) The Master Servicer, for the benefit of the Trustee, any NIMS Insurer and the Certificateholders, shall enforce the obligations of each Servicer under the related Servicing Agreement, and shall, in the event that a Servicer fails to perform its obligations in accordance therewith, terminate the rights and obligations of such Servicer thereunder and either act as servicer of the related Mortgage Loans or cause the other parties hereto to enter into a Servicing Agreement (and such parties hereby agree to execute and deliver any such successor Servicing Agreement), with a successor Servicer. Such enforcement, including, without limitation, the legal prosecution of claims, termination of Servicing Agreements and the pursuit of other appropriate remedies, shall be in such form and carried out to such an extent and at such time as the Master Servicer, in its good faith business judgment, would require were it the owner of the related Mortgage Loans. The Master Servicer shall pay the costs of such enforcement at its own expense, and shall be reimbursed therefor initially (i) from a general recovery resulting from such enforcement only to the extent, if any, that such recovery exceeds all amounts due in respect of the related Mortgage Loans, (ii) from a specific recovery of costs, expenses or attorneys' fees against the party against whom such enforcement is directed, and then, (iii) to the extent that such amounts are insufficient to reimburse the Master Servicer for the costs of such enforcement, from the Collection Account.

(d) The Master Servicer shall be entitled to conclusively rely on any certifications or other information provided by the Servicers under the terms of the applicable Servicing Agreement, in its preparation of any certifications, filings or reports, in accordance with the terms hereof or as may be required by applicable law or regulation.

Section 9.06. Collection of Taxes, Assessments and Similar Items.

(a) To the extent provided in the applicable Servicing Agreement, the Master Servicer shall cause each Servicer to establish and maintain one or more custodial accounts at a depository institution (which may be a depository institution with which the Master Servicer or any Servicer establishes accounts in the ordinary course of its servicing activities), the accounts of which are insured to the maximum extent permitted by the FDIC (each, an "Escrow Account") and to deposit therein any collections of amounts received with respect to amounts due for taxes, assessments, water rates, standard hazard insurance policy premiums, Payaheads, if applicable, or any comparable items for the account of the Mortgagors. Withdrawals from any Escrow Account may be made (to the extent amounts have been escrowed for such purpose) only in accordance with the applicable Servicing Agreement. Each Servicer shall be entitled to all investment income not required to be paid to Mortgagors on any Escrow Account maintained by such Servicer. The Master Servicer shall make (or cause to be made) to the extent provided in the applicable Servicing Agreement advances to the extent necessary in order to effect timely payment of taxes, water rates, assessments, standard hazard insurance policy premiums or comparable items in connection with the related Mortgage Loan (to the extent that the Mortgagor is required, but fails, to pay such items), provided that it or the applicable Servicer has determined that the funds so advanced are recoverable from escrow payments, reimbursement pursuant to Section 4.02 or otherwise.

(b) Costs incurred by the Master Servicer or by any Servicer in effecting the timely payment of taxes and assessments on the properties subject to the Mortgage Loans may be added to the amount owing under the related Mortgage Note where the terms of the Mortgage Note so permit; *provided, however*, that the addition of any such cost shall not be taken into account for purposes of calculating the distributions to be made to Certificateholders. Such costs, to the extent that they are unanticipated, extraordinary costs, and not ordinary or routine costs shall be recoverable as a Servicing Advance by the Master Servicer pursuant to Section 4.02.

Section 9.07. Termination of Servicing Agreements; Successor Servicers.

(a) The Master Servicer shall be entitled to terminate the rights and obligations of any Servicer under the applicable Servicing Agreement in accordance with the terms and conditions of such Servicing Agreement and without any limitation by virtue of this Agreement; *provided, however*, that in the event of termination of any Servicing Agreement by the Master Servicer, the Master Servicer shall provide for the servicing of the Mortgage Loans by a successor Servicer to be appointed as provided in the applicable Servicing Agreement.

The parties acknowledge that notwithstanding the preceding sentence, there may be a transition period, not to exceed 90 days, in order to effect the transfer of servicing to a successor Servicer. The Master Servicer shall be entitled to be reimbursed from each Servicer (or by the Trust Fund, if the Servicer is unable to fulfill its obligations hereunder) for all costs associated with the transfer of servicing from the predecessor servicer, including without limitation, any costs or expenses associated with the complete transfer of all servicing data and the completion, correction or manipulation of such servicing data, as may be required by the Master Servicer to correct any errors or insufficiencies in the servicing data or otherwise to enable the Master Servicer to service the Mortgage Loans properly and effectively.

(b) If the Master Servicer acts as a successor Servicer, it will not assume liability for the representations and warranties of a Servicer, if any, that it replaces. The Master Servicer shall use reasonable efforts to have the successor Servicer assume liability for the representations and warranties made by the terminated Servicer in the related Servicing Agreement, and in the event of any such assumption by the successor Servicer, the Trustee or the Master Servicer, as applicable, may, in the exercise of its business judgment, release the terminated Servicer from liability for such representations and warranties.

(c) If the Master Servicer acts as a successor Servicer, it will have the same obligations to make Advances as the Servicer under the related Servicing Agreement and to reimburse the successor Servicer for unreimbursed Advances if required by the Servicing Agreement but will have no obligation to make an Advance if it determines in its reasonable judgment that such Advance is non-recoverable. To the extent that the Master Servicer is unable to find a successor Servicer that is willing to service the Mortgage Loans for the Servicing Fee because of the obligation of the Servicer to make Advances regardless of whether such Advance is recoverable, the applicable Servicing Agreement may be amended to provide that the successor Servicer shall have no obligation to make an Advance if it determines in its reasonable judgment that such Advance is non-recoverable and provides an Officer's Certificate to such effect to the Master Servicer, the Trustee and the NIMS Insurer.

Section 9.08. Master Servicer Liable for Enforcement.

Notwithstanding any Servicing Agreement, the Master Servicer shall remain obligated and liable to the Trustee, any NIMS Insurer and the Certificateholders in accordance with the provisions of this Agreement, to the extent of its obligations hereunder, without diminution of such obligation or liability by virtue of such Servicing Agreements. The Master Servicer shall use commercially reasonable efforts to ensure that the Mortgage Loans are serviced in accordance with the provisions of this Agreement and shall use commercially reasonable efforts to enforce the provisions of each Servicing Agreement for the benefit of the Certificateholders and any NIMS Insurer. The Master Servicer shall be entitled to enter into any agreement with any Servicer for indemnification of the Master Servicer and nothing contained in this Agreement shall be deemed to limit or modify such indemnification. Except as expressly set forth herein, the Master Servicer shall have no liability for the acts or omissions of any Servicer in the performance by such Servicer of its obligations under the related Servicing Agreement.

Section 9.09. No Contractual Relationship Between Any Servicer and Trustee or Depositor.

Any Servicing Agreement that may be entered into and any other transactions or services relating to the Mortgage Loans involving any Servicer in its capacity as such and not as an originator shall be deemed to be between such Servicer, the Seller and the Master Servicer, and the Trustee, any NIMS Insurer and the Depositor shall not be deemed parties thereto and shall have no obligations, duties or liabilities with respect to such Servicer except as set forth in Section 9.10 hereof, but shall have rights thereunder as third party beneficiaries. It is furthermore understood and agreed by the parties hereto that the obligations of any Servicer are set forth in their entirety in such Servicer's related Servicing Agreement and such Servicer has no obligations under and is not otherwise bound by the terms of this Agreement.

Section 9.10. Assumption of Servicing Agreement by Trustee.

(a) In the event the Master Servicer shall for any reason no longer be the Master Servicer (including by reason of any Event of Default under this Agreement), after a period not to exceed ninety days after the issuance of any notice pursuant to Section 6.14 or Section 9.28, as applicable, the Trustee shall thereupon assume all of the rights and obligations of such Master Servicer hereunder and under each Servicing Agreement entered into with respect to the Mortgage Loans. The Trustee, its designee or any successor master servicer appointed by the Trustee shall be deemed to have assumed all of the Master Servicer's interest herein and therein to the same extent as if such Servicing Agreement had been assigned to the assuming party, except that the Master Servicer shall not thereby be relieved of any liability or obligations of the Master Servicer under such Servicing Agreement accruing prior to its replacement as Master Servicer, and shall be liable to the Trustee and any NIMS Insurer, and hereby agrees to indemnify and hold harmless the Trustee and any NIMS Insurer from and against all costs, damages, expenses and liabilities (including reasonable attorneys' fees) incurred by the Trustee or any NIMS Insurer as a result of such liability or obligations of the Master Servicer and in connection with the Trustee's (or other successor master servicer's ) assumption (but not its performance, except to the extent that costs or liability of the Trustee (or other successor master servicer's ) are created or increased as a result of negligent or wrongful acts or omissions of the Master Servicer prior to its replacement as Master Servicer) of the Master Servicer's obligations, duties or responsibilities thereunder.

(b) The Master Servicer that has been terminated shall, upon request of the Trustee but at the expense of such Master Servicer, deliver to the assuming party all documents and records relating to each Servicing Agreement and the related Mortgage Loans and an accounting of amounts collected and held by it and otherwise use its best efforts to effect the orderly and efficient transfer of each Servicing Agreement to the assuming party.

Section 9.11. Due-on-Sale Clauses: Assumption Agreements.

To the extent provided in the applicable Servicing Agreement, to the extent Mortgage Loans contain enforceable due-on-sale clauses, the Master Servicer shall cause the related Servicer to enforce such clauses in accordance with the applicable Servicing Agreement. If applicable law prohibits the enforcement of a due-on-sale clause or such clause is otherwise not enforced in accordance with the applicable Servicing Agreement, and, as a consequence, a Mortgage Loan is assumed, the original Mortgagor may be released from liability in accordance with the applicable Servicing Agreement.

Section 9.12. Release of Mortgage Files.

(a) Upon (i) becoming aware of the payment in full of any Mortgage Loan or (ii) the receipt by the Master Servicer of a notification that payment in full has been or will be escrowed in a manner customary for such purposes, the Master Servicer will, or will cause the related Servicer to, promptly notify the Trustee (or the applicable Custodian) by a certification (which certification shall include a statement to the effect that all amounts received in connection with such payment that are required to be deposited in the Collection Account maintained by the Master Servicer pursuant to Section 4.01 have been or will be so deposited) of a Servicing Officer and shall request (on the form attached hereto as Exhibit C or on the form attached to the Custodial Agreement) the Trustee or the applicable Custodian, to deliver to the applicable Servicer the related Mortgage File. Upon receipt of such certification and request, the Trustee or the applicable Custodian (with the consent, and at the direction of the Trustee), shall promptly release the related Mortgage File to the applicable Servicer and the Trustee shall have no further responsibility with regard to such Mortgage File. Upon any such payment in full, the Master Servicer is authorized, and each Servicer, to the extent such authority is provided for under the applicable Servicing Agreement, is authorized, to give, as agent for the Trustee, as the mortgagee under the Mortgage that secured the Mortgage Loan, an instrument of satisfaction (or assignment of mortgage without recourse) regarding the Mortgaged Property subject to the Mortgage, which instrument of satisfaction or assignment, as the case may be, shall be delivered to the Person or Persons entitled thereto against receipt therefor of such payment, it being understood and agreed that no expenses incurred in connection with such instrument of satisfaction or assignment, as the case may be, shall be chargeable to the Collection Account.

(b) From time to time and as appropriate for the servicing or foreclosure of any Mortgage Loan and in accordance with Accepted Servicing Practices and the applicable Servicing Agreement, the Trustee shall execute such documents as shall be prepared and furnished to the Trustee by the Master Servicer, or by a Servicer (in form reasonably acceptable to the Trustee) and as are necessary to the prosecution of any such proceedings. The Trustee or the applicable Custodian, shall, upon request of the Master Servicer, or of a Servicer, and delivery to the Trustee or the applicable Custodian, of a request for release of documents and a receipt signed by a Servicing Officer substantially in the form of Exhibit C, release the related Mortgage File held in its possession or control to the Master Servicer (or the applicable Servicer). Such receipt shall obligate the Master Servicer or Servicer to return the Mortgage File to the Trustee or the applicable Custodian, as applicable, when the need therefor by the Master Servicer or Servicer no longer exists unless the Mortgage Loan shall be liquidated, in which case, upon receipt of a certificate of a Servicing Officer similar to that hereinabove specified, the receipt shall be released by the Trustee or the applicable Custodian, as applicable, to the Master Servicer (or the applicable Servicer).

Section 9.13. Documents, Records and Funds in Possession of Master Servicer to be Held for Trustee.

(a) The Master Servicer shall transmit, or cause the applicable Servicer to transmit, to the Trustee such documents and instruments coming into the possession of the Master Servicer or such Servicer from time to time as are required by the terms hereof or of the applicable Servicing Agreement to be delivered to the Trustee or the applicable Custodian. Any funds received by the Master Servicer or by a Servicer in respect of any Mortgage Loan or which otherwise are collected by the Master Servicer or a Servicer as Liquidation Proceeds or Insurance Proceeds in respect of any Mortgage Loan shall be held for the benefit of the Trustee and the Certificateholders subject to the Master Servicer's right to retain or withdraw from the Collection Account the Master Servicing Fee and other amounts provided in this Agreement and to the right of each Servicer to retain its Servicing Fee and other amounts as provided in the related Servicing Agreement. The Master Servicer shall, and shall (to the extent provided in the applicable Servicing Agreement) cause each Servicer to, provide access to information and documentation regarding the Mortgage Loans to the Trustee, any NIMS Insurer, their respective agents and accountants at any time upon reasonable request and during normal business hours, and to Certificateholders that are savings and loan associations, banks or insurance companies, the Office of Thrift Supervision, the FDIC and the supervisory agents and examiners of such Office and Corporation or examiners of any other federal or state banking or insurance regulatory authority if so required by applicable regulations of the Office of Thrift Supervision or other regulatory authority, such access to be afforded without charge but only upon reasonable request in writing and during normal business hours at the offices of the Master Servicer designated by it. In fulfilling such a request the Master Servicer shall not be responsible for determining the sufficiency of such information.

(b) All Mortgage Files and funds collected or held by, or under the control of, the Master Servicer, or any Servicer, in respect of any Mortgage Loans, whether from the collection of principal and interest payments or from Liquidation Proceeds or Insurance Proceeds, shall be held by the Master Servicer, or by any Servicer, for and on behalf of the Trustee and the Certificateholders and shall be and remain the sole and exclusive property of the Trustee; *provided, however*, that the Master Servicer and each Servicer shall be entitled to setoff against, and deduct from, any such funds any amounts that are properly due and payable to the Master Servicer or such Servicer under this Agreement or the applicable Servicing Agreement and shall be authorized to remit such funds to the Trustee in accordance with this Agreement.

(c) The Master Servicer hereby acknowledges that concurrently with the execution of this Agreement, the Trustee shall own or, to the extent that a court of competent jurisdiction shall deem the conveyance of the Mortgage Loans from the Seller to the Depositor not to constitute a sale, the Trustee shall have a security interest in the Mortgage Loans and in all Mortgage Files representing such Mortgage Loans and in all funds and investment property now or hereafter held by, or under the control of, a Servicer or the Master Servicer that are collected by any Servicer or the Master Servicer in connection with the Mortgage Loans, whether as scheduled installments of principal and interest or as full or partial prepayments of principal or interest or as Liquidation Proceeds or Insurance Proceeds or otherwise, and in all proceeds of the foregoing and proceeds of proceeds (but excluding any fee or other amounts to which a Servicer is entitled under the applicable Servicing Agreement, or the Master Servicer or the Depositor is entitled to hereunder); and the Master Servicer agrees that so long as the Mortgage Loans are assigned to and held by the Trustee or the applicable Custodian, all documents or instruments constituting part of the Mortgage Files, and such funds relating to the Mortgage Loans which come into the possession or custody of, or which are subject to the control of, the Master Servicer or any Servicer shall be held by the Master Servicer or such Servicer for and on behalf of the Trustee as the Trustee's agent and bailee for purposes of perfecting the Trustee's security interest therein as provided by the applicable Uniform Commercial Code or other applicable laws.

(d) The Master Servicer agrees that it shall not, and shall not authorize any Servicer to, create, incur or subject any Mortgage Loans, or any funds that are deposited in any Custodial Account, Escrow Account or the Collection Account, or any funds that otherwise are or may become due or payable to the Trustee, to any claim, lien, security interest, judgment, levy, writ of attachment or other encumbrance, nor assert by legal action or otherwise any claim or right of setoff against any Mortgage Loan or any funds collected on, or in connection with, a Mortgage Loan.

Section 9.14. Representations and Warranties of the Master Servicer.

(a) The Master Servicer hereby represents and warrants to the Depositor, any NIMS Insurer and the Trustee, for the benefit of the Certificateholders, as of the Closing Date that:

(i) it is validly existing and in good standing under the laws of the state of its incorporation, and as Master Servicer has full power and authority to transact any and all business contemplated by this Agreement and to execute, deliver and comply with its obligations under the terms of this Agreement, the execution, delivery and performance of which have been duly authorized by all necessary corporate action on the part of the Master Servicer;

(ii) the execution and delivery of this Agreement by the Master Servicer and its performance and compliance with the terms of this Agreement will not (A) violate the Master Servicer's certificate of formation or limited liability company agreement, (B) violate any law or regulation or any administrative decree or order to which it is subject or (C) constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the breach of, any material contract, agreement or other instrument to which the Master Servicer is a party or by which it is bound or to which any of its assets are subject, which violation, default or breach would materially and adversely affect the Master Servicer's ability to perform its obligations under this Agreement;

(iii) this Agreement constitutes, assuming due authorization, execution and delivery hereof by the other respective parties hereto, a legal, valid and binding obligation of the Master Servicer, enforceable against it in accordance with the terms hereof, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general, and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law);

(iv) the Master Servicer is not in default with respect to any order or decree of any court or any order or regulation of any federal, state, municipal or governmental agency to the extent that any such default would materially and adversely affect its performance hereunder;

(v) the Master Servicer is not a party to or bound by any agreement or instrument or subject to any certificate of formation or limited liability company agreement provision, or any other company restriction or any judgment, order, writ, injunction, decree, law or regulation that may materially and adversely affect its ability as Master Servicer to perform its obligations under this Agreement or that requires the consent of any third person to the execution of this Agreement or the performance by the Master Servicer of its obligations under this Agreement;

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

(vii) the Master Servicer, or an affiliate thereof the primary business of which is the servicing of conventional residential mortgage loans, is a Fannie Mae- or Freddie Mac-approved seller/servicer;

(viii) no consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Master Servicer of or compliance by the Master Servicer with this Agreement or the consummation of the transactions contemplated by this Agreement, except for such consents, approvals, authorizations and orders (if any) as have been obtained;

(ix) the consummation of the transactions contemplated by this Agreement are in the ordinary course of business of the Master Servicer;

(x) the Master Servicer has obtained an Errors and Omissions Insurance Policy and a Fidelity Bond in accordance with Section 9.02 each of which is in full force and effect, and each of which provides at least such coverage as is required hereunder; and

(xi) the information about the Master Servicer under the heading "The Master Servicer" in the Offering Documents relating to the Master Servicer does not include an untrue statement of a material fact and does not omit to state a material fact, with respect to the statements made, necessary in order to make the statements in light of the circumstances under which they were made not misleading.

(b) It is understood and agreed that the representations and warranties set forth in this Section 9.14 shall survive the execution and delivery of this Agreement. The Master Servicer shall indemnify the Depositor, the Trustee and any NIMS Insurer and hold them harmless against any loss, damages, penalties, fines, forfeitures, legal fees and related costs, judgments, and other costs and expenses arising out of or related to any claim, demand, defense or assertion based on or grounded upon, or resulting from, a breach of the Master Servicer's representations and warranties contained in Section 9.14(a). It is understood and agreed that the enforcement of the obligation of the Master Servicer set forth in this Section to indemnify the Depositor, the Trustee and any NIMS Insurer as provided in this Section constitutes the sole remedy (other than as set forth in Section 6.14) of the Depositor, the Trustee and any NIMS Insurer, respecting a breach of the foregoing representations and warranties. Such indemnification shall survive any termination of the Master Servicer as Master Servicer hereunder, and any termination of this Agreement.



Any cause of action against the Master Servicer relating to or arising out of the breach of any representations and warranties made in this Section shall accrue upon discovery of such breach by any of the Depositor, the Master Servicer, the Trustee or any NIMS Insurer or notice thereof by any one of such parties to the other parties.

(c) It is understood and agreed that the representations and warranties of the Depositor set forth in Sections 2.03(a)(i) through (vi) shall survive the execution and delivery of this Agreement. The Depositor shall indemnify the Master Servicer and hold it harmless against any loss, damages, penalties, fines, forfeitures, legal fees and related costs, judgments, and other costs and expenses resulting from any claim, demand, defense or assertion based on or grounded upon, or resulting from, a breach of the Depositor's representations and warranties contained in Sections 2.03(a)(i) through (vi) hereof. It is understood and agreed that the enforcement of the obligation of the Depositor set forth in this Section to indemnify the Master Servicer as provided in this Section constitutes the sole remedy hereunder of the Master Servicer respecting a breach by the Depositor of the representations and warranties in Sections 2.03(a)(i) through (vi) hereof.

(d) Any cause of action against the Master Servicer relating to or arising out of the breach of any representations and warranties made in this Section shall accrue upon discovery of such breach by either the Depositor, the Master Servicer, the Trustee or any NIMS Insurer or notice thereof by any one of such parties to the other parties. Notwithstanding anything in this Agreement to the contrary, the Master Servicer shall not be liable for special, indirect or consequential losses or damages of any kind whatsoever (including, but not limited to, lost profits).

Section 9.15. Opinion.

On or before the Closing Date, the Master Servicer shall cause to be delivered to the Depositor, the Seller, the Trustee and any NIMS Insurer one or more Opinions of Counsel, dated the Closing Date, in form and substance reasonably satisfactory to the Depositor and Lehman Brothers Inc., as to the due authorization, execution and delivery of this Agreement by the Master Servicer and the enforceability thereof.

Section 9.16. Standard Hazard and Flood Insurance Policies.

For each Mortgage Loan (other than a Cooperative Loan), the Master Servicer shall maintain, or cause to be maintained by each Servicer, standard fire and casualty insurance and, where applicable, flood insurance, all in accordance with the provisions of this Agreement and the related Servicing Agreement, as applicable. It is understood and agreed that such insurance shall be with insurers meeting the eligibility requirements set forth in the applicable Servicing Agreement and that no earthquake or other additional insurance is to be required of any Mortgagor or to be maintained on property acquired in respect of a defaulted loan, other than pursuant to such applicable laws and regulations as shall at any time be in force and as shall require such additional insurance.

Pursuant to Section 4.01, any amounts collected by the Master Servicer, or by any Servicer, under any insurance policies maintained pursuant to this Section 9.16 or any Servicing Agreement (other than amounts to be applied to the restoration or repair of the property subject to the related Mortgage or released to the Mortgagor in accordance with the applicable Servicing Agreement) shall be deposited into the Collection Account, subject to withdrawal pursuant to Section 4.02. Any cost incurred by the Master Servicer or any Servicer in maintaining any such insurance if the Mortgagor defaults in its obligation to do so shall be added to the amount owing under the Mortgage Loan where the terms of the Mortgage Loan so permit; *provided, however*, that the addition of any such cost shall not be taken into account for purposes of calculating the distributions to be made to Certificateholders and shall be recoverable by the Master Servicer or such Servicer pursuant to Section 4.02.

Section 9.17. Presentment of Claims and Collection of Proceeds.

The Master Servicer shall cause each Servicer (to the extent provided in the applicable Servicing Agreement) to, prepare and present on behalf of the Trustee and the Certificateholders all claims under the Insurance Policies with respect to the Mortgage Loans, and take such actions (including the negotiation, settlement, compromise or enforcement of the insured's claim) as shall be necessary to realize recovery under such policies. Any proceeds disbursed to the Master Servicer (or disbursed to a Servicer and remitted to the Master Servicer) in respect of such policies or bonds shall be promptly deposited in the Collection Account or the Custodial Account upon receipt, except that any amounts realized that are to be applied to the repair or restoration of the related Mortgaged Property as a condition requisite to the presentation of claims on the related Mortgage Loan to the insurer under any applicable Insurance Policy need not be so deposited (or remitted).

Section 9.18. Maintenance of the Primary Mortgage Insurance Policies.

(a) The Master Servicer shall cause each Servicer to remit (with respect to any Primary Mortgage Insurance Policy) or shall remit on behalf of each Servicer to the PMI Insurer, the applicable PMI Insurance Premiums and provide monthly Mortgage Loan balance updates to the related PMI Insurers. The Master Servicer shall not take, or knowingly permit any Servicer (consistent with the applicable Servicing Agreement) to take, any action that would result in noncoverage under any applicable Primary Mortgage Insurance Policy of any loss which, but for the actions of such Master Servicer or such Servicer, would have been covered thereunder. The Master Servicer shall not, and shall not knowingly permit any Servicer to, cancel or refuse to renew any such Primary Mortgage Insurance Policy that is in effect at the date of the initial issuance of the Certificates and is required to be kept in force hereunder except in accordance with the provisions of this Agreement and the related Servicing Agreement, as applicable.

(b) The Master Servicer agrees, to the extent provided in each Servicing Agreement, to cause each Servicer to present, on behalf of the Trustee and the Certificateholders, claims to the insurer under any Primary Mortgage Insurance Policies and, in this regard, to take such reasonable action as shall be necessary to permit recovery under any Primary Mortgage Insurance Policies respecting defaulted Mortgage Loans. Pursuant to Section 4.01, any amounts collected by the Master Servicer or any Servicer under any Primary Mortgage Insurance Policies shall be deposited in the Collection Account, subject to withdrawal pursuant to Section 4.02.

Section 9.19. Custodian To Retain Possession of Certain Insurance Policies and Documents.

The Master Servicer shall promptly deliver or cause each Servicer to deliver to the applicable Custodian, upon the execution or receipt thereof the originals of the Primary Mortgage Insurance Policies or certificate of insurance, if applicable, and any certificates of renewal thereof, and such other documents or instruments that constitute portions of the Mortgage File that come into the possession of the Master Servicer or any Servicer from time to time. The Custodians, on behalf of the Trustee, shall retain possession and custody of the originals of such Primary Mortgage Insurance Policies or certificate of insurance if applicable and any certificates of renewal as to the foregoing as may be issued from time to time as contemplated by this Agreement and delivered to the applicable Custodian by the Master Servicer. Until all amounts distributable in respect of the Certificates have been distributed in full and the Master Servicer otherwise has fulfilled its obligations under this Agreement, the Custodians shall also retain possession and custody of each Mortgage File in accordance with and subject to the terms and conditions of this Agreement.

Section 9.20. [Reserved]

Section 9.21. Compensation to the Master Servicer.

The Master Servicer shall be entitled to withdraw from the Collection Account, subject to Section 5.05, the Master Servicing Fee to the extent permitted by Section 4.02. Servicing compensation in the form of assumption fees, if any, late payment charges, as collected, if any, or otherwise (but not including any Prepayment Premium) shall be retained by the Master Servicer (or the applicable Servicer) and shall not be deposited in the Collection Account. If the Master Servicer does not retain or withdraw the Master Servicing Fee from the Collection Account as provided herein, the Master Servicer shall be entitled to direct the Trustee to pay the Master Servicing Fee to such Master Servicer by withdrawal from the Certificate Account to the extent that payments have been received with respect to the applicable Mortgage Loan. The Master Servicer shall be required to pay all expenses incurred by it in connection with its activities hereunder and shall not be entitled to reimbursement therefor except as provided in this Agreement. Pursuant to Section 4.01(e), all income and gain realized from any investment of funds in the Collection Account shall be for the benefit of the Master Servicer as additional compensation. The provisions of this Section 9.21 are subject to the provisions of Section 6.14.

Section 9.22. REO Property.

(a) In the event the Trust Fund acquires ownership of any REO Property in respect of any Mortgage Loan, the deed or certificate of sale shall be issued to the Trustee, or to its nominee, on behalf of the Certificateholders. The Master Servicer shall use its reasonable best efforts to sell, or cause the applicable Servicer, to the extent provided in the applicable Servicing Agreement any REO Property as expeditiously as possible and in accordance with the provisions of this Agreement and the related Servicing Agreement, as applicable, but in all events within the time period, and subject to the conditions set forth in Article X hereof. Pursuant to its efforts to sell such REO Property, the Master Servicer shall protect and conserve, or cause the applicable Servicer to protect and conserve, such REO Property in the manner and to such extent required by the applicable Servicing Agreement, subject to Article X hereof.

(b) The Master Servicer shall deposit or cause to be deposited all funds collected and received by it, or recovered from any Servicer, in connection with the operation of any REO Property in the Collection Account.

(c) The Master Servicer and each Servicer, upon the final disposition of any REO Property, shall be entitled to reimbursement for any related unreimbursed Advances and other unreimbursed advances as well as any unpaid Master Servicing Fees or Servicing Fees from Liquidation Proceeds received in connection with the final disposition of such REO Property; *provided, that* (without limitation of any other right of reimbursement that the Master Servicer or any Servicer shall have hereunder) any such unreimbursed Advances as well as any unpaid Net Master Servicing Fees or Servicing Fees may be reimbursed or paid, as the case may be, prior to final disposition, out of any net rental income or other net amounts derived from such REO Property.

(d) The Liquidation Proceeds from the final disposition of the REO Property, net of any payment to the Master Servicer and the applicable Servicer as provided above, shall be deposited in the Collection Account on or prior to the Determination Date in the month following receipt thereof and be remitted by wire transfer in immediately available funds on the next succeeding Master Servicer Remittance Date to the Trustee for deposit into the Certificate Account.

Section 9.23. Notices to the Depositor and the Trustee

(a) The Master Servicer shall promptly notify the Trustee, the Sponsor and the Depositor (i) of any legal proceedings pending against the Master Servicer of the type described in Item 1117 (§ 229.1117) of Regulation AB and (ii) if the Master Servicer shall become (but only to the extent not previously disclosed to the Master Servicer and the Depositor) at any time an affiliate of any of the parties listed on Exhibit V to this Agreement. On or before March 1<sup>st</sup> of each year, the Depositor shall distribute the information in Exhibit V hereto to the Master Servicer.

(b) Not later than three Business Days prior to the Distribution Date of each month, the Master Servicer shall provide to the Trustee, the Sponsor and the Depositor notice of the occurrence of any material modifications, extensions or waivers of terms, fees, penalties or payments relating to the Mortgage Loans during the related Collection Period or that have cumulatively become material over time (Item 1121 (a)(11) of Regulation AB) 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. The parties to this Agreement acknowledge that the performance by the Master Servicer of its duties under this Section 9.23(b) related to the timely preparation and delivery of such information is contingent upon each applicable Servicer strictly observing all requirements and deadlines in the performance of their duties under their related Servicing Agreements. The Master Servicer shall have no liability for any loss, expense, damage or claim arising out of or with respect to any failure to properly prepare and/or timely deliver all such information where such failure results from the Master Servicer's inability or failure to obtain or receive, on a timely basis, any information from any Servicer needed to prepare or deliver such information, which failure does not result from the Master Servicer's own negligence, bad faith or willful misconduct.

Section 9.24. Reports to the Trustee.

(a) Not later than 30 days after each Distribution Date, the Master Servicer shall, upon request, forward to the Trustee a statement, deemed to have been certified by a Servicing Officer, setting forth the status of the Collection Account maintained by the Master Servicer as of the close of business on the related Distribution Date, indicating that all distributions required by this Agreement to be made by the Master Servicer have been made (or if any required distribution has not been made by the Master Servicer, specifying the nature and status thereof) and showing, for the period covered by such statement, the aggregate of deposits into and withdrawals from the Collection Account maintained by the Master Servicer. Copies of such statement shall be provided by the Master Servicer, upon request, to the Depositor, Attention: Contract Finance, any NIMS Insurer and any Certificateholders (or by the Trustee at the Master Servicer's expense if the Master Servicer shall fail to provide such copies to the Certificateholders (unless (i) the Master Servicer shall have failed to provide the Trustee with such statement or (ii) the Trustee shall be unaware of the Master Servicer's failure to provide such statement)).

(b) Not later than two Business Days following each Distribution Date, the Master Servicer shall deliver to one Person designated by the Depositor, in a format consistent with other electronic loan level reporting supplied by the Master Servicer in connection with similar transactions, "loan level" information with respect to the Mortgage Loans as of the related Determination Date, to the extent that such information has been provided to the Master Servicer by the Servicers or by the Depositor.

(c) All information, reports and statements prepared by the Master Servicer under this Agreement shall be based on information supplied to the Master Servicer by the Servicers without independent verification thereof and the Master Servicer shall be entitled to rely on such information.

Section 9.25. Assessment of Compliance and Attestation Reports..

(a) Assessment of Compliance

(i) By March 15 of each year, commencing in March 2008, the Master Servicer, the Credit Risk Manager, the Paying Agent (if other than the Trustee) and the Trustee, each at its own expense, shall furnish, and each such party shall cause any Servicing Function Participant engaged by it to furnish, each at its own expense, to the Sponsor, the Depositor, the Master Servicer and the Trustee, a report on an assessment of compliance with the Relevant Servicing Criteria that contains (A) a statement by such party of its responsibility for assessing compliance with the Relevant Servicing Criteria, (B) a statement that such party used the Servicing Criteria to assess compliance with the Relevant Servicing Criteria, (C) such party's assessment of compliance with the Relevant Servicing Criteria as of and for the fiscal year covered by the Form 10-K required to be filed pursuant to Section 6.20(e), including, if there has been any material instance of noncompliance with the Relevant Servicing Criteria, a discussion of each such failure and the nature and status thereof, and (D) a statement that a registered public accounting firm has issued an attestation report on such party's assessment of compliance with the Relevant Servicing Criteria as of and for such period.

(ii) When the Master Servicer, the Credit Risk Manager, the Paying Agent and the Trustee (or any Servicing Function Participant engaged by it) submit their assessments to the Trustee, such parties will also at such time include the assessment (and attestation pursuant to subsection (b) of this Section 9.25) of each Servicing Function Participant engaged by it and shall indicate to the Trustee what Relevant Servicing Criteria will be addressed in any such reports prepared by any such Servicing Function Participant.

(iii) Promptly after receipt of each report on assessment of compliance, the Trustee shall confirm that the assessments, taken as a whole, address all applicable Servicing Criteria and taken individually address the Relevant Servicing Criteria (and disclose the inapplicability of the Servicing Criteria not determined to be Relevant Criteria) for each party as set forth on Exhibit S and on any similar exhibit set forth in each Servicing Agreement in respect of each Servicer, and the Custodial Agreement in respect of the Custodians, and shall notify the Depositor of any exceptions.

(b) Attestation Reports

(i) By March 15 of each year, commencing in March 2008, the Master Servicer, the Credit Risk Manager, the Paying Agent (if other than the Trustee) and the Trustee, each at its own expense, shall cause, and each such party shall cause any Servicing Function Participant engaged by it to cause, each at its own expense, a registered public accounting firm (which may also render other services to the Master Servicer, the Credit Risk Manager, the Paying Agent and the Trustee, as the case may be) that is a member of the American Institute of Certified Public Accountants to furnish a report to the Sponsor, the Depositor, the Master Servicer and the Trustee, to the effect that (A) it has obtained a representation regarding certain matters from the management of such party, which includes an assertion that such party has complied with the Relevant Servicing Criteria, and (B) on the basis of an examination conducted by such firm in accordance with standards for attestation engagements issued or adopted by the PCAOB, it is expressing an opinion as to whether such party's compliance with the Relevant Servicing Criteria was fairly stated in all material respects, or it cannot express an overall opinion regarding such party's assessment of compliance with the Relevant Servicing Criteria. In the event that an overall opinion cannot be expressed, such registered public accounting firm shall state in such report why it was unable to express such an opinion. Such report must be available for general use and not contain restricted use language.

(ii) Promptly after receipt of such report from the Master Servicer, the Credit Risk Manager, the Paying Agent (if other than the Trustee), the Trustee or any Servicing Function Participant engaged by such parties, the Trustee shall confirm that each assessment submitted pursuant subsection (a) of this Section 9.25 is coupled with an attestation meeting the requirements of this Section and notify the Depositor of any exceptions.

(c) The Master Servicer's, Trustee's and Paying Agent's obligation to provide assessments of compliance and attestations under this Section 9.25 shall terminate upon the filing of a Form 15 suspension notice on behalf of the Trust Fund.

Section 9.26. Annual Statement of Compliance with Applicable Servicing Criteria.

The Master Servicer shall deliver (and the Master Servicer shall cause any Additional Servicer engaged by it to deliver) to the Sponsor, the Depositor and the Trustee on or before March 15 of each year, commencing in March 2008, an Officer's Certificate stating, as to the signer thereof, that (A) a review of such party's activities during the preceding calendar year or portion thereof and of such party's performance under this Agreement, or such other applicable agreement in the case of an Additional Servicer, has been made under such officer's supervision and (B) to the best of such officer's knowledge, based on such review, such party has fulfilled all its obligations under this Agreement, or such other applicable agreement in the case of an Additional Servicer, in all material respects throughout such year or portion thereof, or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status thereof.

Section 9.27. Merger or Consolidation.

Any Person into which the Master Servicer may be merged or consolidated, or any Person resulting from any merger, conversion, other change in form or consolidation to which the Master Servicer shall be a party, or any Person succeeding to the business of the Master Servicer, shall be the successor to the Master Servicer 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; *provided, however*, that the successor or resulting Person to the Master Servicer shall be a Person that shall be qualified and approved to service mortgage loans for Fannie Mae or Freddie Mac and shall have a net worth of not less than \$15,000,000.

Section 9.28. Resignation of Master Servicer.

Except as otherwise provided in Sections 9.27 and 9.29 hereof, the Master Servicer shall not resign from the obligations and duties hereby imposed on it unless it determines that the Master Servicer's duties hereunder are no longer permissible under applicable law or are in material conflict by reason of applicable law with any other activities carried on by it and cannot be cured. Any such determination permitting the resignation of the Master Servicer shall be evidenced by an Opinion of Counsel that shall be Independent to such effect delivered to the Trustee and any NIMS Insurer. No such resignation shall become effective until the Trustee shall have assumed, or a successor master servicer acceptable to any NIMS Insurer and the Trustee shall have been appointed by the Trustee and until such successor shall have assumed, the Master Servicer's responsibilities and obligations under this Agreement. Notice of such resignation shall be given promptly by the Master Servicer and the Depositor to the Trustee and any NIMS Insurer.

Section 9.29. Assignment or Delegation of Duties by the Master Servicer.

(a) Except as expressly provided herein, the Master Servicer shall not assign or transfer any of its rights, benefits or privileges hereunder to any other Person, or delegate to or subcontract with, or authorize or appoint any Subservicer, Subcontractor or other Person to perform any of the duties, covenants or obligations to be performed by the Master Servicer hereunder; *provided, however*, that the Master Servicer shall have the right without the prior written consent of the Trustee, any NIMS Insurer or the Depositor to delegate or assign to or subcontract with or authorize or appoint an Affiliate of the Master Servicer to perform and carry out any duties, covenants or obligations to be performed and carried out by the Master Servicer hereunder. In no case, however, shall any such delegation, subcontracting or assignment to an Affiliate of the Master Servicer relieve the Master Servicer of any liability hereunder. Notice of such permitted assignment, and the name of any such affiliated Subcontractor or Subservicer shall be given promptly by the Master Servicer to the Depositor, the Trustee and any NIMS Insurer. If, pursuant to any provision hereof, the duties of the Master Servicer are transferred to a successor master servicer, the entire amount of the Master Servicing Fees and other compensation payable to the Master Servicer pursuant hereto, including amounts payable to or permitted to be retained or withdrawn by the Master Servicer pursuant to Section 9.21 hereof, shall thereafter be payable to such successor master servicer.

(b) Notwithstanding the foregoing, for so long as reports are required to be filed with the Commission under the Exchange Act with respect to the Trust, the Master Servicer shall not utilize any Subcontractor for the performance of its duties hereunder if such Subcontractor would be “participating in the servicing function” within the meaning of Item 1122 of Regulation AB without (a) giving notice to the Trustee and the Depositor and (b) requiring any such Subcontractor to provide to the Master Servicer an attestation report as provided for in Section 9.25 and an assessment report as provided in Section 9.26, which reports the Master Servicer shall include in its attestation and assessment reports.

Section 9.30. Limitation on Liability of the Master Servicer and Others.

(a) The Master Servicer undertakes to perform such duties and only such duties as are specifically set forth in this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Master Servicer from liability for its own negligent action, its own negligent failure to act or its own willful misconduct; *provided, however*, that the duties and obligations of the Master Servicer shall be determined solely by the express provisions of this Agreement, the Master Servicer shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement; no implied covenants or obligations shall be read into this Agreement against the Master Servicer and, in absence of bad faith on the part of the Master Servicer, the Master Servicer may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Master Servicer and conforming to the requirements of this Agreement.



(c) None of the Master Servicer, the Seller or the Depositor or any of the directors, officers, employees or agents of any of them shall be under any liability to the Trustee or the Certificateholders 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 Master Servicer, the Seller or the Depositor or any such person against any liability that would otherwise be imposed by reason of willful misfeasance, bad faith or negligence in its performance of its duties or by reason of reckless disregard for its obligations and duties under this Agreement. The Master Servicer and any director, officer, employee or agent of any of them shall be entitled to indemnification by the Trust Fund and will be held harmless against any loss, liability or expense incurred in connection with any legal action relating to this Agreement or the Certificates other than any loss, liability or expense incurred by reason of willful misfeasance, bad faith or negligence in the performance of its duties hereunder or by reason of reckless disregard of his or its obligations and duties hereunder. The Master Servicer, the Seller and the Depositor and any director, officer, employee or agent of any of them 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. The Master Servicer, the Seller and the Depositor shall be under no obligation to appear in, prosecute or defend any legal action that is not incidental to its duties to master service the Mortgage Loans in accordance with this Agreement and that in its opinion may involve it in any expenses or liability; *provided, however*, that the Master Servicer may in its sole discretion undertake any such action that it may deem necessary or desirable in respect to this Agreement and the rights and duties of the parties hereto and the interests of the Certificateholders hereunder. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs and liabilities of the Trust Fund and the Master Servicer shall be entitled to be reimbursed therefor out of the Collection Account it maintains as provided by Section 4.02.

The Master Servicer shall not be liable for any acts or omissions of any Servicer. In particular, the Master Servicer shall not be liable for any course of action taken by the Servicers with respect to loss mitigation of defaulted Mortgage Loans at the direction of the Credit Risk Manager or the Seller pursuant to any Credit Risk Management Agreement. Further, the Master Servicer shall not be liable for performance by any Servicer under any Credit Risk Management Agreement.

Section 9.31. Indemnification; Third-Party Claims.

The Master Servicer agrees to indemnify the Depositor, the Sponsor, the Trustee and any NIMS Insurer and their respective officers, directors, agents and affiliates, and hold each of them harmless against any and all claims, losses, penalties, fines, forfeitures, reasonable legal fees and related costs, judgments, and any other costs, liability, fees and expenses that the Depositor, the Sponsor, the Trustee or any NIMS Insurer may sustain arising out of or based upon (a) any material breach by the Master Servicer of any of its obligations hereunder, including particularly its obligations to provide any reports under Section 9.25(a), Section 9.25(b) or Section 9.26 or any information, data or materials required to be included in any Exchange Act report, (b) any material misstatement or omission in any information, data or materials provided by the Master Servicer, or (c) the negligence, bad faith or willful misconduct of the Master Servicer in connection with its performance hereunder. The Depositor, the Sponsor, the Trustee and any NIMS Insurer shall immediately notify the Master Servicer if a claim is made by a third party with respect to this Agreement or the Mortgage Loans entitling the Depositor, the Sponsor, the Trustee or any NIMS Insurer to indemnification hereunder, whereupon the Master Servicer shall assume the defense of any such claim and pay all expenses in connection therewith, including counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it or them in respect of such claim. This indemnification shall survive the termination of this Agreement or the termination of the Master Servicer as a party to this Agreement.

Section 9.32. Special Servicing of Delinquent Mortgage Loans.

If permitted under the terms of the applicable Servicing Agreement, the Seller may appoint, pursuant to the terms of the applicable Servicing Agreement and with the written consent of the Depositor, the Master Servicer, the Trustee and any NIMS Insurer, a special servicer to special service any Distressed Mortgage Loans. Any applicable termination fee related to the termination of the related Servicer and the appointment of any special servicer shall be paid by the Seller from its own funds, without right of reimbursement from the Trust Fund. Any fees paid to any such special servicer shall not exceed the Servicing Fee Rate.

Section 9.33. Alternative Index.

In the event that the Index for any Mortgage Loan, as specified in the related Mortgage Note, becomes unavailable for any reason, the Master Servicer shall select an alternative index, which in all cases shall be an index that constitutes a qualified rate on a regular interest under the REMIC Provisions, in accordance with the terms of such Mortgage Note or, if such Mortgage Note does not make provision for the selection of an alternative index in such event, the Master Servicer shall, subject to applicable law, select an alternative index based on information comparable to that used in connection with the original Index and, in either case, such alternative index shall thereafter be the Index for such Mortgage Loan.

Section 9.34. Duties of the Credit Risk Manager.

(a) The Certificateholders, by their purchase and acceptance of the Certificates, appoint Clayton Fixed Income Services Inc., as Credit Risk Manager. For and on behalf of the Depositor, the Credit Risk Manager will provide reports and recommendations concerning certain delinquent and defaulted Mortgage Loans, and as to the collection of any Prepayment Premiums with respect to the Mortgage Loans. Such reports and recommendations will be based upon information provided pursuant to Credit Risk Management Agreements to the Credit Risk Manager by the Servicers. The Credit Risk Manager shall look solely to the Servicers and/or the Master Servicer for all information and data (including loss and delinquency information and data) and loan level information and data relating to the servicing of the Mortgage Loans and the Trustee shall not have any obligation to provide any such information to the Credit Risk Manager and shall not otherwise have any responsibility under the Credit Risk Management Agreement.

(b) On or about the 15<sup>th</sup> calendar day of each month, the Credit Risk Manager shall have prepared and shall make available to any NIMS Insurer, the Trustee, the Swap Counterparty and each Certificateholder, the following reports (each such report to be made in a format compatible with EDGAR filing requirements):

(i) Watchlist Report: A listing of individual Mortgage Loans that are of concern to the Credit Risk Manager. Each Watchlist Report shall contain a listing of Mortgage Loans in any delinquency status, including current and paid-off loans, and may contain the comments of the Credit Risk Manager in its sole discretion. The Watchlist Report shall be presented in substantially the same format attached hereto as Exhibit R-1;

(ii) Loss Severity Report: A compilation and summary of all losses, indicating the loan loss severity for each Mortgage Pool. Each Loss Severity Report shall include detail of all losses reported by a Servicer or the Master Servicer as Realized Losses, except those for which a Servicer or the Master Servicer has not provided detail adequate for reporting purposes. The Loss Severity Report shall be presented in substantially the same format attached hereto as Exhibit R-2;

(iii) Mortgage Insurance Claims Report: A summary of mortgage insurance claims submitted to the PMI Insurer by the Servicers, claim payment and denial information, and penalties assessed by the PMI Insurer. The Mortgage Insurance Claims Report shall be presented in substantially the same format attached hereto as Exhibit R-3;

(iv) Prepayment Premiums Report: A summary of Prepayment Premiums assessed or waived by each Servicer. The Prepayment Premiums Report shall be presented in substantially the same format attached hereto as Exhibit R-4; and

(v) Analytics Report: Analytics Reports shall include statistical and/or graphical portrayals of:

(D) *Delinquency Trend*: The delinquency trend, over time, of the Mortgage Loans;

(E) *Prepayment Analysis*: The constant prepayment rate “CPR” experience of the Mortgage Loans; and

(F) *Standard Default Assumption*: The Standard Default Assumption experience of the Mortgage Loans.

The Analytics Report shall be presented in substantially the same format attached hereto as Exhibit R-5.

The Credit Risk Manager shall make such reports and any additional information reasonably requested by the Depositor available each month to Certificateholders, the Trustee, any NIMS Insurer and the Rating Agencies via the Credit Risk Manager’s internet website. The Credit Risk Manager’s internet website shall initially be located at <https://reports.clayton.com>. The user name for access to the website shall be the Certificateholder’s e-mail address and the password shall be “SASCO 2007-BC1.” The Trustee shall not have any obligation to review such reports or otherwise monitor or supervise the activities of the Credit Risk Manager.

(c) On each Distribution Date, the Credit Risk Manager shall (A) calculate, for each PMI Insurer, the Threshold Calculation for each such PMI Insurer for the immediately preceding Collection Period and (B) notify the Depositor, the Sponsor and the related PMI Insurer of each such PMI Insurer's Threshold Calculation.

(d) The Credit Risk Manager shall reasonably cooperate with the Depositor and the Trustee in connection with the Trust Fund's satisfying the reporting requirements under the Exchange Act with respect to reports prepared by the Credit Risk Manager.

(e) The Credit Risk Manager has not and shall not engage any Subcontractor without (a) giving notice to the Sponsor, the Trustee, the Master Servicer and the Depositor and (b) requiring any such Subcontractor to provide to the Credit Risk Manager an assessment report as provided for in Section 9.25(a) above and an attestation report as provided in Section 9.25(b) above, which reports the Credit Risk Manager shall include in its assessment and attestation reports.

(f) By March 15 of each year (or if such day is not a Business Day, the immediately preceding Business Day), the Credit Risk Manager shall deliver a signed certification, in the form attached hereto as Exhibit U (the "Credit Risk Manager Certification"), for the benefit of the Depositor, the Sponsor, the Master Servicer and the Trustee and for the benefit of the Person(s) signing the Form 10-K Certification; *provided* (i) that the Credit Risk Manager Certification shall be so provided by March 15 of such year only to the extent that the Depositor delivers a draft (without exhibits) of the applicable Annual Report on Form 10-K to the Credit Risk Manager by the fifth Business Day in March of such year and (ii) in the event that the Depositor delivers the draft Form 10-K referred to in clause (i) after the fifth Business Day in March of such year, the Credit Risk Manager shall deliver the Credit Risk Manager Certification as soon as practicable but no later than five calendar days of delivery to the Credit Risk Manager of such draft Form 10-K.

(g) In the event that prior to the filing date of the Form 10-K in March of each year, the Credit Risk Manager has knowledge or information material to the Credit Risk Manager Certification, the Credit Risk Manager shall promptly notify the Depositor and the Trustee, in writing.

Section 9.35. Limitation Upon Liability of the Credit Risk Manager.

Except as provided pursuant to Section 9.36 of this Agreement, neither the Credit Risk Manager, nor any of the directors, officers, employees or agents of the Credit Risk Manager, shall be under any liability to the Trustee, the Certificateholders or the Depositor for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement, in reliance upon information provided by Servicers under the Credit Risk Management Agreements or for errors in judgment; *provided, however*, that this provision shall not protect the Credit Risk Manager or any such person against liability that would otherwise be imposed by reason of willful malfeasance, bad faith or gross negligence in its performance of its duties or by reason of reckless disregard for its obligations and duties under this Agreement or the Credit Risk Management Agreements. The Credit Risk Manager and any director, officer, employee or agent of the Credit Risk Manager 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, and may rely in good faith upon the accuracy of information furnished by the Servicers pursuant to the Credit Risk Management Agreements in the performance of its duties thereunder and hereunder.

Section 9.36. Indemnification by the Credit Risk Manager.

The Credit Risk Manager agrees to indemnify the Depositor, the Master Servicer and the Trustee, and each of their respective directors, officers, employees and agents and the Trust Fund and hold each of them harmless from and against any 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 the engagement of any Subcontractor in violation of Section 9.34(e) or any failure by the Credit Risk Manager to deliver any information, report, certification, accountants' letter or other material when and as required under this Agreement, including any report under Sections 9.25(a) or (b).

Section 9.37. Removal of Credit Risk Manager.

The Credit Risk Manager may be removed as Credit Risk Manager by Certificateholders holding not less than a 66-2/3% Voting Interests in the Trust, in the exercise of its or their sole discretion, at any time, without cause, upon ten (10) days prior written notice. The Certificateholders shall provide such written notice to the Trustee and upon receipt of such notice, the Trustee shall provide written notice to the Credit Risk Manager of its removal, effective upon receipt of such notice.

ARTICLE X

REMIC ADMINISTRATION

Section 10.01. REMIC Administration.

(a) REMIC elections as set forth in the Preliminary Statement shall be made on Forms 1066 or other appropriate federal tax or information return for the taxable year ending on the last day of the calendar year in which the Certificates are issued. The regular interests and residual interest in each REMIC shall be as designated in the Preliminary Statement. For purposes of such designations, the interest rate of any regular interest that is computed by taking into account the weighted average of the Net Mortgage Rates of the Mortgage Loans shall be reduced by the amount of any expense paid by the Trust to the extent that (i) such expense was not taken into account in computing the Net Mortgage Rate of any Mortgage Loan, (ii) such expense does not constitute an "unanticipated expense" of a REMIC within the meaning of Treasury Regulation Section 1.860G-1(b)(3)(ii) and (iii) the amount of such expense was not taken into account in computing the interest rate of a more junior Class of regular interests.

(b) The Closing Date is hereby designated as the “Startup Day” of each REMIC within the meaning of section 860G(a)(9) of the Code. The latest possible maturity date for purposes of Treasury Regulation 1.860G-1(a)(4) will be the Latest Possible Maturity Date.

(c) The Trustee shall represent the Trust Fund in any administrative or judicial proceeding relating to an examination or audit by any governmental taxing authority with respect thereto. The Trustee shall pay any and all tax related expenses (not including taxes) of each REMIC, including but not limited to any professional fees or expenses related to audits or any administrative or judicial proceedings with respect to such REMIC that involve the Internal Revenue Service or state tax authorities, but only to the extent that (i) such expenses are ordinary or routine expenses, including expenses of a routine audit but not expenses of litigation (except as described in (ii)); or (ii) such expenses or liabilities (including taxes and penalties) are attributable to the negligence or willful misconduct of the Trustee in fulfilling its duties hereunder (including its duties as tax return preparer). The Trustee shall be entitled to reimbursement of expenses to the extent provided in clause (i) above from the Certificate Account, *provided, however*, the Trustee shall not be entitled to reimbursement for expenses incurred in connection with the preparation of tax returns and other reports as required by Section 6.20 and this Section.

(d) The Trustee shall prepare, sign and file, all of each REMIC’s federal and appropriate state tax and information returns as such REMIC’s direct representative. The expenses of preparing and filing such returns shall be borne by the Trustee.

(e) The Trustee or its designee shall perform on behalf of each REMIC all reporting and other tax compliance duties that are the responsibility of such REMIC under the Code, the REMIC Provisions, or other compliance guidance issued by the Internal Revenue Service or any state or local taxing authority. Among its other duties, if required by the Code, the REMIC Provisions, or other such guidance, the Trustee shall provide (i) to the Treasury or other governmental authority such information as is necessary for the application of any tax relating to the transfer of a Residual Certificate to any disqualified person or organization pursuant to Treasury Regulation 1.860E-2(a)(5) and any person designated in Section 860E(e)(3) of the Code and (ii) to the Trustee such information as is necessary for the Trustee to provide to the Certificateholders such information or reports as are required by the Code or REMIC Provisions.

The Trustee shall be entitled to receive reasonable compensation from the Trust for the performance of its duties under this subsection (e); *provided, however*, that such compensation shall not exceed \$5,000 per year.

(f) The Trustee, the Master Servicer and the Holders of Certificates shall take any action or cause any REMIC to take any action necessary to create or maintain the status of any REMIC as a REMIC under the REMIC Provisions and shall assist each other as necessary to create or maintain such status. Neither the Trustee, the Master Servicer nor the Holder of any Residual Certificate shall knowingly take any action, cause any 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 result in an Adverse REMIC Event unless the Trustee, any NIMS Insurer and the Master Servicer have received an Opinion of Counsel addressed to the Trustee (at the expense of the party seeking to take such action) to the effect that the contemplated action will not result in an Adverse REMIC Event. In addition, prior to taking any action with respect to any REMIC or the assets therein, or causing any REMIC to take any action, which is not expressly permitted under the terms of this Agreement, any Holder of a Residual Certificate will consult with the Trustee, the Master Servicer, any NIMS Insurer or their respective designees, in writing, with respect to whether such action could cause an Adverse REMIC Event to occur with respect to any REMIC, and no such Person shall take any such action or cause any REMIC to take any such action as to which the Trustee, the Master Servicer or any NIMS Insurer has advised it in writing that an Adverse REMIC Event could occur.

(g) Each Holder of a Residual Certificate shall pay when due any and all taxes imposed on the related REMIC by federal or state governmental authorities. To the extent that such taxes are not paid by a Residual Certificateholder, the Trustee shall pay any remaining REMIC taxes out of current or future amounts otherwise distributable to the Holder of the Residual Certificate in any such REMIC or, if no such amounts are available, out of other amounts held in the Certificate Account, and shall reduce amounts otherwise payable to holders of regular interests in any such REMIC, as the case may be.

(h) The Trustee shall, for federal income tax purposes, maintain books and records with respect to each REMIC on a calendar year and on an accrual basis.

(i) No additional contributions of assets shall be made to any REMIC, except as expressly provided in this Agreement.

(j) Neither the Trustee nor the Master Servicer shall enter into any arrangement by which any REMIC will receive a fee or other compensation for services.

(k) On or before October 15 of each calendar year beginning in 2008, the Trustee shall deliver to the any NIMS Insurer an Officer's Certificate stating, without regard to any actions taken by any party other than the Trustee, the Trustee's compliance with provisions of this Section 10.01.

(l) The Trustee shall treat each of the Basis Risk Reserve Fund and the Supplemental Interest Trust as an outside reserve fund within the meaning of Treasury Regulation Section 1.860G-2(h) that is owned by the Holders of the Class X Certificates and that is not an asset of any REMIC and all amounts deposited into the Basis Risk Reserve Fund or the Supplemental Interest Trust shall be treated as amounts distributed to the Class X Certificateholders.

(m) For federal income tax purposes, upon any sale of the property held by the Trust Fund pursuant to Section 7.01(b), any NIM Redemption Amount paid by the Master Servicer shall not be treated as a portion of the purchase price paid for such property but shall instead be treated as an amount paid by the Master Servicer to the Holder of the Class X Certificates in exchange for an interest in the Class X Certificates immediately before the purchase of the property held by the Trust Fund.

(n) The Trustee shall treat the beneficial owners of Certificates (other than the Class P, Class X, Class LT-R and Class R Certificates) as having entered into a notional principal contract with respect to the beneficial owners of the Class X Certificates. Pursuant to each such notional principal contract, all beneficial owners of LIBOR Certificates shall be treated as having agreed to pay, on each Distribution Date, to the beneficial owners of the Class X Certificates an aggregate amount equal to the excess, if any, of (i) the amount payable on such Distribution Date on the interest in the Upper Tier REMIC corresponding to such Class of Certificates *over* (ii) the amount payable on such Class of Certificates on such Distribution Date (such excess, a “Class I Shortfall”). A Class I Shortfall payable from interest collections shall be allocated to each Class of Certificates to the extent that interest accrued on such Class for the related Accrual Period at the Certificate Interest Rate for a Class, computed by substituting “REMIC 3 Net Funds Cap” for the applicable “Net Funds Cap” in the definition thereof, exceeds the amount of interest accrued for the related Accrual Period based on the applicable Net Funds Cap, and a Class I Shortfall payable from principal collections shall be allocated to the most subordinate Class of Certificates with an outstanding principal balance to the extent of such balance. In addition, pursuant to such notional principal contract, the beneficial owner of the Class X Certificates shall be treated as having agreed to pay Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls to the Owners of the LIBOR Certificates in accordance with the terms of this Agreement. Any payments to the Certificates in light of the foregoing shall not be payments with respect to a “regular interest” in a REMIC within the meaning of Code Section 860G(a)(1). However, any payment from the Certificates of a Class I Shortfall shall be treated for tax purposes as having been received by the beneficial owners of such Certificates in respect of their Interests in the Upper Tier REMIC and as having been paid by such beneficial owners to the Supplemental Interest Trust pursuant to the notional principal contract. Thus, each Certificate (other than a Class P, Class R and Class LT-R Certificates) shall be treated as representing not only ownership of regular interests in the Upper Tier REMIC, but also ownership of an interest in (and obligations with respect to) a notional principal contract. For tax purposes, the notional principal contract shall be deemed to have a value in favor of the Certificates entitled to receive Basis Risk Shortfalls and Unpaid Basis Risk Shortfalls of \$60,557.60 as of the Closing Date.

(o) Notwithstanding the priority and sources of payments set forth in Article V hereof or otherwise, the Trustee shall account for all distributions on the Certificates as set forth in this Section 10.01. In no event shall any payments of Basis Risk Shortfalls or Unpaid Basis Risk Shortfalls provided for in this Section 10.01 be treated as payments with respect to a “regular interest” in a REMIC within the meaning of Code Section 860G(a)(1).

Section 10.02. Prohibited Transactions and Activities.

Neither the Depositor, the Master Servicer nor the Trustee shall sell, dispose of, or substitute for any of the Mortgage Loans, except in a disposition pursuant to (i) the foreclosure of a Mortgage Loan, (ii) the bankruptcy of the Trust Fund, (iii) the termination of each REMIC pursuant to Article VII of this Agreement, (iv) a substitution pursuant to Article II of this Agreement or (v) a repurchase of Mortgage Loans pursuant to Article II of this Agreement, nor acquire any assets for any REMIC, nor sell or dispose of any investments in the Certificate Account for gain, nor accept any contributions to any REMIC after the Closing Date, unless the Trustee and any NIMS Insurer has received an Opinion of Counsel addressed to the Trustee (at the expense of the party causing such sale, disposition, or substitution) that such disposition, acquisition, substitution, or acceptance will not (a) result in an Adverse REMIC Event, (b) affect the distribution of interest or principal on the Certificates or (c) result in the encumbrance of the assets transferred or assigned to the Trust Fund (except pursuant to the provisions of this Agreement).



Section 10.03. Indemnification with Respect to Certain Taxes and Loss of REMIC Status.

Upon the occurrence of an Adverse REMIC Event due to the negligent performance by the Trustee of its duties and obligations set forth herein, the Trustee shall indemnify any NIMS Insurer, the Holder of the related Residual Certificate or the Trust Fund, as applicable, against any and all losses, claims, damages, liabilities or expenses (“Losses”) resulting from such negligence; *provided, however*, that the Trustee shall not be liable for any such Losses attributable to the action or inaction of the Master Servicer, the Depositor, the Class X Certificateholders or the Holder of such Residual Certificate, as applicable, or for any such Losses resulting from misinformation provided by the Holder of such Residual Certificate on which the Trustee has relied. The foregoing shall not be deemed to limit or restrict the rights and remedies of the Holder of such Residual Certificate now or hereafter existing at law or in equity. Notwithstanding the foregoing, however, in no event shall the Trustee have any liability (1) for any action or omission that is taken in accordance with and in compliance with the express terms of, or which is expressly permitted by the terms of, this Agreement or any Servicing Agreement, (2) for any Losses other than arising out of a negligent performance by the Trustee of its duties and obligations set forth herein, and (3) for any special or consequential damages to Certificateholders (in addition to payment of principal and interest on the Certificates); *provided, however*, that this sentence shall not apply in connection with any failure by the Trustee to comply with the provisions of Subsections 6.01(l) hereof and Subsections 9.25(a) or (b) hereof. In addition, the Trustee shall not have any liability for the actions or failure to act of any other party hereto.

Section 10.04. REO Property.

(a) Notwithstanding any other provision of this Agreement, the Master Servicer, acting on behalf of the Trustee hereunder, shall not, except to the extent provided in the applicable Servicing Agreement, knowingly permit any Servicer to, rent, lease, or otherwise earn income on behalf of any REMIC with respect to any REO Property which might cause an Adverse REMIC Event unless the Master Servicer has advised, or has caused the applicable Servicer to advise, the Trustee and any NIMS Insurer in writing to the effect that, under the REMIC Provisions, such action would not result in an Adverse REMIC Event.

(b) The Master Servicer shall cause the applicable Servicer (to the extent provided in its Servicing Agreement) to make reasonable efforts to sell any REO Property for its fair market value. In any event, however, the Master Servicer shall, or shall cause the applicable Servicer (to the extent provided in its Servicing Agreement) to, dispose of any REO Property within three years of its acquisition by the Trust Fund unless the Master Servicer has received a grant of extension from the Internal Revenue Service to the effect that, under the REMIC Provisions, the REMIC may hold REO Property for a longer period without causing an Adverse REMIC Event. If the Master Servicer has received such an extension, then the Trustee, or the Master Servicer, acting on its behalf hereunder, shall, or shall cause the applicable Servicer to, continue to attempt to sell the REO Property for its fair market value for such period longer than three years as such extension permits (the “Extended Period”). If the Trustee has not received such an extension and the Master Servicer or the applicable Servicer, acting on behalf of the Trustee hereunder, is unable to sell the REO Property within 33 months after its acquisition by the Trust Fund or if the Master Servicer has received such an extension, and the Master Servicer or the applicable Servicer is unable to sell the REO Property within the period ending three months before the close of the Extended Period, the Master Servicer shall cause the applicable Servicer, before the end of the three year period or the Extended Period, as applicable, to (i) purchase such REO Property at a price equal to the REO Property’s fair market value or (ii) auction the REO Property to the highest bidder (which may be the applicable Servicer) in an auction reasonably designed to produce a fair price prior to the expiration of the three-year period or the Extended Period, as the case may be.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.01. Binding Nature of Agreement; Assignment.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 11.02. Entire Agreement.

This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

Section 11.03. Amendment.

(a) On or prior to a Section 7.01(c) Purchase Event, this Agreement may be amended from time to time by the Depositor, the Master Servicer and the Trustee, with the consent of any NIMS Insurer, but without the consent of the Credit Risk Manager or the Swap Counterparty (except to the extent that the rights or obligations of (1) the Credit Risk Manager or the Swap Counterparty hereunder or (2) the Swap Counterparty under the Swap Agreement are affected thereby, and except to the extent the ability of the Trustee on behalf of the Supplemental Interest Trust and the Trust Fund to perform fully and timely its obligations under the Swap Agreement is adversely affected, in which case prior written consent of the Swap Counterparty is required) and without notice to or the consent of any of the Holders, (i) to cure any ambiguity, (ii) to cause the provisions herein to conform to or be consistent with or in furtherance of the statements made with respect to the Certificates, the Trust Fund or this Agreement in any Offering Document, or to correct or supplement any provision herein which may be inconsistent with any other provisions herein or with the provisions of any Servicing Agreement, (iii) to make any other provisions with respect to matters or questions arising under this Agreement or (iv) to add, delete, or amend any provisions to the extent necessary or desirable to comply with any requirements imposed by the Code and the REMIC Provisions as evidenced by an Opinion of Counsel. No such amendment effected pursuant to the preceding sentence shall, as evidenced by an Opinion of Counsel, result in an Adverse REMIC Event, nor shall such amendment effected pursuant to clause (iii) of such sentence adversely affect in any material respect the interests of any Holder. Prior to entering into any amendment without the consent of Holders pursuant to this paragraph, the Trustee, any NIMS Insurer and the Swap Counterparty shall be provided with an Opinion of Counsel addressed to the Trustee, any NIMS Insurer and the Swap Counterparty (at the expense of the party requesting such amendment) to the effect that such amendment is permitted under this Section. Any such amendment shall be deemed not to adversely affect in any material respect any Holder, if the Trustee receives written confirmation from each Rating Agency that such amendment will not cause such Rating Agency to reduce then current rating assigned to the Certificates.

(b) On or prior to a Section 7.01(c) Purchase Event, this Agreement may also be amended from time to time by the Depositor, the Master Servicer and the Trustee, with the consent of any NIMS Insurer, but without the consent of the Credit Risk Manager or the Swap Counterparty (except to the extent that the rights or obligations of (1) the Credit Risk Manager or the Swap Counterparty hereunder or (2) the Swap Counterparty under the Swap Agreement are affected thereby, or the ability of the Trustee on behalf of the Supplemental Interest Trust and the Trust Fund to perform fully and timely its obligations under the Swap Agreement is adversely affected, in which case prior written consent of the Swap Counterparty is required) and with the consent of the Holders of not less than 66-2/3% of the Class Principal Amount (or Percentage Interest) of each Class of Certificates affected thereby for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Holders; *provided, however*, that no such amendment shall be made unless the Trustee and any NIMS Insurer receives an Opinion of Counsel addressed to the Trustee and the NIMS Insurer, at the expense of the party requesting the change, that such change will not cause an Adverse REMIC Event and is permitted hereunder; and provided further, that no such amendment may (i) reduce in any manner the amount of, or delay the timing of, payments received on Mortgage Loans which are required to be distributed on any Certificate, without the consent of the Holder of such Certificate or (ii) reduce the aforesaid percentages of Class Principal Amount (or Percentage Interest) of Certificates of each Class, the Holders of which are required to consent to any such amendment without the consent of the Holders of 100% of the Class Principal Amount (or Percentage Interest) of each Class of Certificates affected thereby. For purposes of this paragraph, references to “Holder” or “Holders” shall be deemed to include, in the case of any Class of Book-Entry Certificates, the related Certificate Owners.

(c) After a Section 7.01(c) Purchase Event but on or prior to a Trust Fund Termination Event, this Agreement may be amended from time to time by the Depositor, the Master Servicer, the LTURI-holder and the Trustee, but without the consent of the Credit Risk Manager, or the Swap Counterparty (except to the extent that the rights or obligations of (1) the Credit Risk Manager or the Swap Counterparty hereunder or (2) the Swap Counterparty under the Swap Agreement, or the ability of the Trustee on behalf of the Supplemental Interest Trust and the Trust Fund to perform fully and timely its obligations under the Swap Agreement is adversely affected, in which case prior written consent of the Credit Risk Manager or the Swap Counterparty, as applicable, is required). Prior to entering into any amendment pursuant to this paragraph, the Trustee and the Swap Counterparty shall be provided with an Opinion of Counsel addressed to the Trustee, any NIMS Insurer and the Swap Counterparty (at the expense of the party requesting such amendment) to the effect that such amendment is permitted under this Section and will not result in an Adverse REMIC Event.

(d) Promptly after the execution of any such amendment, the Trustee shall furnish written notification of the substance of such amendment to each Holder, the Depositor, the Swap Counterparty, any NIMS Insurer and to the Rating Agencies.

(e) It shall not be necessary for the consent of Holders under this Section 11.03 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents and of evidencing the authorization of the execution thereof by Holders shall be subject to such reasonable regulations as the Trustee may prescribe.

(f) Notwithstanding anything to the contrary in any Servicing Agreement, the Trustee shall not consent to any amendment of any Servicing Agreement unless (i) such amendment is effected pursuant to the standards provided in Section 11.03(a) or 11.03(b) with respect to amendment of this Agreement and (ii) except for a Permitted Servicing Amendment, any such amendment pursuant to Section 11.03 (a)(iii) shall not be materially inconsistent with the provisions of such Servicing Agreement.

(g) Notwithstanding anything to the contrary in this Section 11.03, this Agreement may be amended from time to time by the Depositor, the Master Servicer and the Trustee to the extent necessary, in the judgment of the Depositor and its counsel, to comply with the Rules.

Section 11.04. Voting Rights.

Except to the extent that the consent of all affected Certificateholders is required pursuant to this Agreement, with respect to any provision of this Agreement requiring the consent of Certificateholders representing specified percentages of aggregate outstanding Certificate Principal Amount (or Percentage Interest), Certificates owned by the Depositor, the Master Servicer, the Trustee, any Servicer, the Credit Risk Manager or Affiliates thereof are not to be counted so long as such Certificates are owned by the Depositor, the Master Servicer, the Trustee, any Servicer, the Credit Risk Manager or any Affiliate thereof.

Section 11.05. Provision of Information.

(a) For so long as any of the Certificates of any Series or Class are “restricted securities” within the meaning of Rule 144(a)(3) under the Act, each of the Depositor, the Master Servicer and the Trustee agree to cooperate with each other to provide to any Certificateholders, any NIM Security holder and to any prospective purchaser of Certificates designated by such holder, upon the request of such holder or prospective purchaser, any information required to be provided to such holder or prospective purchaser to satisfy the condition set forth in Rule 144A(d)(4) under the Act. Any reasonable, out-of-pocket expenses incurred by the Master Servicer or the Trustee in providing such information shall be reimbursed by the Depositor.

(b) The Trustee shall provide to any person to whom a Prospectus was delivered, upon the request of such person specifying the document or documents requested, (i) a copy (excluding exhibits) of any report on Form 8-K or Form 10-K filed with the Securities and Exchange Commission pursuant to Section 6.20(c) and (ii) a copy of any other document incorporated by reference in the Prospectus. Any reasonable out-of-pocket expenses incurred by the Trustee in providing copies of such documents shall be reimbursed by the Depositor.

(c) On each Distribution Date, the Trustee shall deliver or cause to be delivered by first class mail or make available on its website to the Depositor, Attention: Contract Finance, a copy of the report delivered to Certificateholders pursuant to Section 4.03.

Section 11.06. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 11.07. Notices.

All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given when received by (a) in the case of the Depositor, Structured Asset Securities Corporation, 745 Seventh Avenue, 7th Floor, New York, NY 10019, Attention: Mortgage Finance SASCO 2007-BC1, (b) in the case of the Seller, Lehman Brothers Holdings Inc., 745 Seventh Avenue, 7th Floor, New York, NY 10019, Attention: Mortgage Finance SASCO 2007-BC1, (c) in the case of the Credit Risk Manager, Clayton Fixed Income Services Inc., 1700 Lincoln Street, Suite 1600, Denver, Colorado 80203, Attention: General Counsel, (d) in the case of the Trustee, the Corporate Trust Office, (e) in the case of the Master Servicer, Aurora Loan Services LLC, 10350 Park Meadows Drive, Littleton, Colorado 80124; Attention: Master Servicing, SASCO 2007-BC1, (f) in the case of Mortgage Guaranty Insurance Corporation, 250 E. Kilbourn Avenue, P.O. Box 488, Milwaukee, Wisconsin 53201, Attention: Risk Management, (g) in the case of PMI Mortgage Insurance Co., 3003 Oak Road, Walnut Creek, California 94597, Attention: Structured Transactions, (h) in the case of the Swap Counterparty, at the address therefore set forth in the Swap Agreement and (i) in the case of the Cap Counterparty, at the address therefore set forth in the Interest Rate Cap Agreement or, as to each party, such other address as may hereafter be furnished by such party to the other parties in writing. All demands, notices and communications to a party hereunder shall be in writing and shall be deemed to have been duly given when delivered to such party at the relevant address, facsimile number or electronic mail address set forth above or at such other address, facsimile number or electronic mail address as such party may designate from time to time by written notice in accordance with this Section 11.07.

Section 11.08. Severability of Provisions.

If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or the rights of the Holders thereof.

Section 11.09. Indulgences; No Waivers.

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

Section 11.10. Headings Not To Affect Interpretation.

The headings contained in this Agreement are for convenience of reference only, and they shall not be used in the interpretation hereof.

Section 11.11. Benefits of Agreement.

The Depositor shall promptly notify the Custodians and the Trustee in writing of the issuance of any Class of NIMS Securities issued by a NIMS Insurer and the identity of such NIMS Insurer. Thereafter, the NIMS Insurer shall be deemed a third-party beneficiary of this Agreement to the same extent as if it were a party hereto, and shall be subject to and have the right to enforce the provisions of this Agreement so long as the NIMS Securities remaining outstanding or the NIMS Insurer is owed amounts in respect of its guarantee of payment of such NIMS Securities. Nothing in this Agreement or in the Certificates, express or implied, shall give to any Person, other than the parties to this Agreement and their successors hereunder, the Swap Counterparty and its successors and assignees under the Swap Agreement, the Holders of the Certificates and the NIMS Insurer, any benefit or any legal or equitable right, power, remedy or claim under this Agreement, except to the extent specified in Sections 5.08 and Section 11.15, as applicable.

Section 11.12. Special Notices to the Rating Agencies and any NIMS Insurer.

(a) The Depositor shall give prompt notice to the Rating Agencies and any NIMS Insurer of the occurrence of any of the following events of which it has notice:

- (i) any amendment to this Agreement pursuant to Section 11.03;
- (ii) any Assignment by the Master Servicer of its rights hereunder or delegation of its duties hereunder;

- (iii) the occurrence of any Event of Default described in Section 6.14;
- (iv) any notice of termination given to the Master Servicer pursuant to Section 6.14 and any resignation of the Master Servicer hereunder;
- (v) the appointment of any successor to any Master Servicer pursuant to Section 6.14;
- (vi) the making of a final payment pursuant to Section 7.02; and
- (vii) any termination of the rights and obligations of any Servicer under the applicable Servicing Agreement.

(b) All notices to the Rating Agencies provided for this Section shall be in writing and sent by first class mail, telecopy or overnight courier, as follows:

If to S&P, to:

Standard & Poor's Ratings Services  
55 Water Street  
New York, New York 10041  
Attention: Residential Mortgages

If to Moody's, to:

Moody's Investor Service, Inc.  
99 Church Street  
New York, New York 10007  
Attention: Residential Mortgages

If to Fitch, to:

Fitch, Inc.  
One State Street Plaza  
New York, New York 10004  
Attention: Residential Mortgages

If to DBRS, to:

DBRS, Inc.  
55 Broadway  
New York, NY 10006  
Attention: Residential Mortgages

(c) The Trustee shall provide or make available to the Rating Agencies reports prepared pursuant to Section 4.03. In addition, the Trustee shall, at the expense of the Trust Fund, make available to each Rating Agency such information as such Rating Agency may reasonably request regarding the Certificates or the Trust Fund, to the extent that such information is reasonably available to the Trustee.

Section 11.13. Conflicts.

To the extent that the terms of this Agreement conflict with the terms of any Servicing Agreement, the related Servicing Agreement shall govern, unless such provisions shall adversely affect the Trustee or the Trust Fund.

Section 11.14. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

Section 11.15. Transfer of Servicing.

The Seller agrees that it shall provide written notice to the Master Servicer, the Swap Counterparty, any NIMS Insurer and the Trustee thirty days prior to any proposed transfer or assignment by such Seller of its rights under any Servicing Agreement or of the servicing thereunder or delegation of its rights or duties thereunder or any portion thereof to any other Person other than the initial Servicer under such Servicing Agreement; provided that the Seller shall not be required to provide prior notice of (i) any transfer of servicing by Option One to Wells Fargo that occurs within three months of the Closing Date or to an entity that is a Servicer on the Closing Date or (ii) any assignment of any Servicing rights from the Seller to an affiliate of the Seller. In addition, the ability of the Seller to transfer or assign its rights and delegate its duties under a Servicing Agreement or to transfer the servicing thereunder to a successor servicer shall be subject to the following conditions:

- (i) Satisfaction of the conditions to such transfer as set forth in the applicable Servicing Agreement including, without limitation, receipt of written consent of any NIMS Insurer and the Master Servicer to such transfer;
- (ii) Such successor servicer must be qualified to service loans for Fannie Mae or Freddie Mac, and must be a member in good standing of MERS;
- (iii) Such successor servicer must satisfy the seller/servicer eligibility standards in the applicable Servicing Agreement, exclusive of any experience in mortgage loan origination;
- (iv) Such successor servicer must execute and deliver to the Trustee and the Master Servicer an agreement, in form and substance reasonably satisfactory to the Trustee and the Master Servicer, that contains an assumption by such successor servicer of the due and punctual performance and observance of each covenant and condition to be performed and observed by the applicable Servicer under the applicable Servicing Agreement or, in the case of a transfer of servicing to a party that is already a Servicer pursuant to this Agreement, an agreement to add the related Mortgage Loans to the Servicing Agreement already in effect with such Servicer;



(v) If the successor servicer is not a Servicer of Mortgage Loans at the time of the transfer, there must be delivered to the Trustee and the Master Servicer a letter from each Rating Agency to the effect that such transfer of servicing will not result in a qualification, withdrawal or downgrade of the then-current rating of any of the Certificates; and

(vi) The Seller shall, at its cost and expense, take such steps, or cause the terminated Servicer to take such steps, as may be necessary or appropriate to effectuate and evidence the transfer of the servicing of the Mortgage Loans to such successor servicer, including, but not limited to, the following: (A) to the extent required by the terms of the Mortgage Loans and by applicable federal and state laws and regulations, the Seller shall cause the prior Servicer to timely mail to each obligor under a Mortgage Loan any required notices or disclosures describing the transfer of servicing of the Mortgage Loans to the successor servicer; (B) prior to the effective date of such transfer of servicing, the Seller shall cause the prior Servicer to transmit to any related insurer notification of such transfer of servicing; (C) on or prior to the effective date of such transfer of servicing, the Seller shall cause the prior Servicer to deliver to the successor servicer all Mortgage Loan Documents and any related records or materials; (D) on or prior to the effective date of such transfer of servicing, the Seller shall cause the prior Servicer to transfer to the successor servicer, all funds held by the prior Servicer in respect of the Mortgage Loans; (E) on or prior to the effective date of such transfer of servicing, the Seller shall cause the prior Servicer to, after the effective date of the transfer of servicing to the successor servicer, continue to forward to such successor servicer, within one Business Day of receipt, the amount of any payments or other recoveries received by the prior Servicer, and to notify the successor servicer of the source and proper application of each such payment or recovery; and (F) the Seller shall cause the prior Servicer to, after the effective date of transfer of servicing to the successor servicer, continue to cooperate with the successor servicer to facilitate such transfer in such manner and to such extent as the successor servicer may reasonably request. Notwithstanding the foregoing, the prior Servicer shall be obligated to perform the items listed above to the extent provided in the applicable Servicing Agreement.

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

STRUCTURED ASSET SECURITIES CORPORATION, as Depositor

By: /s/ Ellen V. Kiernan  
Name: Ellen V. Kiernan  
Title: Senior Vice President

WELLS FARGO BANK, N.A., as Trustee

By: /s/ Michael Pinzon  
Name: Michael Pinzon  
Title: Vice President

AURORA LOAN SERVICES LLC, as Master Servicer

By: /s/ Linda A. Sherman  
Name: Linda A. Sherman  
Title: Senior Vice President

CLAYTON FIXED INCOME SERVICES INC., as Credit Risk Manager

By: /s/ Keven J. Kanouff  
Name: Kevin J. Kanouff  
Title: President and General Counsel

Solely for purposes of Sections 5.07(c), 6.11 and 11.15,  
accepted and agreed to by:

LEHMAN BROTHERS HOLDINGS INC.

By: /s/ Angel P. Lau  
Name: Angel P. Lau  
Title: Authorized Signatory

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EXHIBIT A

FORMS OF CERTIFICATES

A-1

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EXHIBIT B-1

FORM OF INITIAL CERTIFICATION

\_\_\_\_\_  
Date

Wells Fargo Bank, N.A.  
Sixth Street and Marquette Avenue  
Minneapolis, Minnesota 55479

Structured Asset Securities Corporation  
745 Seventh Avenue, 7th Floor  
New York, New York 10019

[SERVICERS]

Re: Trust Agreement dated as of January 1, 2007 (the "Trust Agreement"), by and among Structured Asset Securities Corporation, as Depositor, Wells Fargo Bank, N.A., as Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager with respect to Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1

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Ladies and Gentlemen:

In accordance with Section 2.02(a) of the Trust Agreement, subject to review of the contents thereof, the undersigned, as the Custodian, hereby certifies that it has received the documents listed in Section 2.01(b) of the Trust Agreement for each Mortgage File pertaining to each Mortgage Loan listed on Schedule A, to the Trust Agreement, subject to any exceptions noted on Schedule I hereto.

Capitalized words and phrases used herein and not otherwise defined herein shall have the respective meanings assigned to them in the Trust Agreement. This Certificate is subject in all respects to the terms of Section 2.02 of the Trust Agreement and the Trust Agreement sections cross-referenced therein.

[Custodian]

By: \_\_\_\_\_

Name:

Title:

SCHEDULE I

B-1-2

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EXHIBIT B-2

FORM OF INTERIM CERTIFICATION

\_\_\_\_\_  
Date

Wells Fargo Bank, N.A.  
Sixth Street and Marquette Avenue  
Minneapolis, Minnesota 55479

Structured Asset Securities Corporation  
745 Seventh Avenue, 7th Floor  
New York, New York 10019

[SERVICERS]

Re: Trust Agreement dated as of January 1, 2007 (the "Trust Agreement"), by and among Structured Asset Securities Corporation, as Depositor, Wells Fargo Bank, N.A., as Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager with respect to Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1

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Ladies and Gentlemen:

In accordance with Section 2.02(b) of the Trust Agreement, the undersigned, as Custodian, hereby certifies that as to each Mortgage Loan listed in the Mortgage Loan Schedule (other than any Mortgage Loan paid in full or listed on Schedule I hereto) it has received the applicable documents listed in Section 2.01(b) of the Trust Agreement.

The undersigned hereby certifies that as to each Mortgage Loan identified on the Mortgage Loan Schedule, other than any Mortgage Loan listed on Schedule I hereto, it has reviewed the documents listed in Section 2.01(b) of the Trust Agreement and has determined that each such document appears regular on its face and appears to relate to the Mortgage Loan identified in such document.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the Trust Agreement. This Certificate is qualified in all respects by the terms of said Trust Agreement including, but not limited to, Section 2.02(b).

[Custodian]

By: \_\_\_\_\_

Name:

Title:

SCHEDULE I

B-2-2

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EXHIBIT B-3

FORM OF FINAL CERTIFICATION

\_\_\_\_\_  
Date

Wells Fargo Bank, N.A.  
Sixth Street and Marquette Avenue  
Minneapolis, Minnesota 55479

Structured Asset Securities Corporation  
745 Seventh Avenue, 7th Floor  
New York, New York 10019

[SERVICERS]

Re: Trust Agreement dated as of January 1, 2007 (the "Trust Agreement"), by and among Structured Asset Securities Corporation, as Depositor, Wells Fargo Bank, N.A., as Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager with respect to Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1

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Ladies and Gentlemen:

In accordance with Section 2.02(d) of the Trust Agreement, the undersigned, as Custodian on behalf of the Trustee, hereby certifies that as to each Mortgage Loan listed in the Mortgage Loan Schedule (other than any Mortgage Loan paid in full or listed on Schedule I hereto) it has received the applicable documents listed in Section 2.01(b) of the Trust Agreement.

The undersigned hereby certifies that as to each Mortgage Loan identified in the Mortgage Loan Schedule, other than any Mortgage Loan listed on Schedule I hereto, it has reviewed the documents listed in Section 2.01(b) of the Trust Agreement and has determined that each such document appears to be complete and, based on an examination of such documents, the information set forth in items (i) through (vi) of the definition of Mortgage Loan Schedule is correct.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the Trust Agreement. This Certificate is qualified in all respects by the terms of said Trust Agreement.

[Custodian]

By: \_\_\_\_\_

Name:

Title:



SCHEDULE I

B-3-2

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EXHIBIT B-4

FORM OF ENDORSEMENT

Pay to the order of Wells Fargo Bank, N.A., as trustee (the "Trustee") under the Trust Agreement dated as of January 1, 2007 by and among Structured Asset Securities Corporation, as Depositor, the Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager relating to Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1, without recourse.

\_\_\_\_\_  
[current signatory on note]

By: \_\_\_\_\_

Name:

Title:

B-4-1

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EXHIBIT C

REQUEST FOR RELEASE OF DOCUMENTS AND RECEIPT

\_\_\_\_\_  
Date

[Addressed to Trustee  
or, if applicable, the Custodian]

In connection with the administration of the mortgages held by you as Trustee under a certain Trust Agreement dated as of January 1, 2007 by and among Structured Asset Securities Corporation, as Depositor, you, as Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager, (the "Trust Agreement"), the undersigned [Servicer] [Master Servicer] hereby requests a release of the Mortgage File held by you as Trustee with respect to the following described Mortgage Loan for the reason indicated below.

Mortgagor's Name:

Address:

Loan No.:

Reason for requesting file:

1. Mortgage Loan paid in full. (The Servicer hereby certifies that all amounts received in connection with the loan have been or will be credited to the Certificate Account pursuant to the Trust Agreement.)
2. The Mortgage Loan is being foreclosed.
3. Mortgage Loan substituted. (The Servicer hereby certifies that a Qualifying Substitute Mortgage Loan has been assigned and delivered to you along with the related Mortgage File pursuant to the Trust Agreement.)
4. Mortgage Loan repurchased. (The [Servicer] [Master Servicer] hereby certifies that the Purchase Price (or PPTL Purchase Price or FPD Purchase Price (in the case of a First Payment Default Mortgage Loan)) has been credited to the Certificate Account or Collection Account, as applicable, pursuant to the Trust Agreement.)
5. Other. (Describe)

The undersigned acknowledges that the above Mortgage File will be held by the undersigned in accordance with the provisions of the Trust Agreement and will be returned to you within ten (10) days of our receipt of the Mortgage File, except if the Mortgage Loan has been paid in full, or repurchased or substituted for a Qualifying Substitute Mortgage Loan (in which case the Mortgage File will be retained by us permanently) and except if the Mortgage Loan is being foreclosed (in which case the Mortgage File will be returned when no longer required by us for such purpose).

Capitalized terms used herein shall have the meanings ascribed to them in the Trust Agreement.

\_\_\_\_\_  
[Name of Servicer]

By: \_\_\_\_\_

Name:

Title: Servicing Officer

EXHIBIT D-1

FORM OF RESIDUAL CERTIFICATE TRANSFER AFFIDAVIT (TRANSFEREE)

STATE OF )  
 ) ss.:  
COUNTY OF )

[NAME OF OFFICER], \_\_\_\_\_ being first duly sworn, deposes and says:

1. That he [she] is [title of officer] \_\_\_\_\_ of [name of Purchaser] \_\_\_\_\_ (the "Purchaser"), a \_\_\_\_\_ [description of type of entity] duly organized and existing under the laws of the [State of \_\_\_\_\_] [United States], on behalf of which he [she] makes this affidavit.
2. That the Purchaser's Taxpayer Identification Number is \_\_\_\_\_ .
3. That the Purchaser is not a "disqualified organization" within the meaning of Section 860E(e)(5) of the Internal Revenue Code of 1986, as amended (the "Code") and will not be a "disqualified organization" as of [date of transfer], and that the Purchaser is not acquiring a Residual Certificate (as defined in the Agreement) for the account of, or as agent (including a broker, nominee, or other middleman) for, any person or entity from which it has not received an affidavit substantially in the form of this affidavit. For these purposes, a "disqualified organization" means the United States, any state or political subdivision thereof, any foreign government, any international organization, any agency or instrumentality of any of the foregoing (other than an instrumentality if all of its activities are subject to tax and a majority of its board of directors is not selected by such governmental entity), any cooperative organization furnishing electric energy or providing telephone service to persons in rural areas as described in Code Section 1381(a)(2)(C), any "electing large partnership" within the meaning of Section 775 of the Code, or any organization (other than a farmers' cooperative described in Code Section 521) that is exempt from federal income tax unless such organization is subject to the tax on unrelated business income imposed by Code Section 511.
4. That the Purchaser either (x) is not, and on \_\_\_\_\_ [date of transfer] will not be, an employee benefit plan or other retirement arrangement subject to Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Code ("Code"), (collectively, a "Plan") or a person acting on behalf of any such Plan or investing the assets of any such Plan to acquire a Residual Certificate; (y) if the Residual Certificate has been the subject of an ERISA-Qualifying Underwriting, is an insurance company that is purchasing the Residual Certificate with funds contained in an "insurance company general account" as defined in Section V(e) of Prohibited Transaction Class Exemption ("PTCE") 95-60 and the purchase and holding of the Residual Certificate are covered under Sections I and III of PTCE 95-60; or (z) herewith delivers to the Trustee an opinion of counsel (a "Benefit Plan Opinion") satisfactory to the Trustee, and upon which the Trustee, the Master Servicer, any Servicer, the Depositor and any NIMS Insurer shall be entitled to rely, to the effect that the purchase or holding of such Residual Certificate by the Investor will not result in any non-exempt prohibited transactions under Title I of ERISA or Section 4975 of the Code and will not subject the Trustee, the Depositor, the Master Servicer, any Servicer or any NIMS Insurer to any obligation in addition to those undertaken by such entities in the Trust Agreement, which opinion of counsel shall not be an expense of the Trust Fund or any of the above parties.

5. That the Purchaser hereby acknowledges that under the terms of the Trust Agreement (the “Agreement”) by and among Structured Asset Securities Corporation, as Depositor, Wells Fargo Bank, N.A., as Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager, dated as of January 1, 2007, no transfer of the Residual Certificate shall be permitted to be made to any person unless the Depositor and Trustee have received a certificate from such transferee containing the representations in paragraphs 3 and 4 hereof.
6. That the Purchaser does not hold REMIC residual securities as nominee to facilitate the clearance and settlement of such securities through electronic book-entry changes in accounts of participating organizations (such entity, a “Book-Entry Nominee”).
7. That the Purchaser does not have the intention to impede the assessment or collection of any federal, state or local taxes legally required to be paid with respect to such Residual Certificate.
8. That the Purchaser will not transfer a Residual Certificate to any person or entity (i) as to which the Purchaser has actual knowledge that the requirements set forth in paragraph 3, paragraph 6 or paragraph 10 hereof are not satisfied or that the Purchaser has reason to believe does not satisfy the requirements set forth in paragraph 7 hereof, and (ii) without obtaining from the prospective Purchaser an affidavit substantially in this form and providing to the Trustee a written statement substantially in the form of Exhibit D-2 to the Agreement.
9. That the Purchaser understands that, as the holder of a Residual Certificate, the Purchaser may incur tax liabilities in excess of any cash flows generated by the interest and that it intends to pay taxes associated with holding such Residual Certificate as they become due.
10. That the Purchaser (i) is not a Non-U.S. Person or (ii) is a Non-U.S. Person that holds a Residual Certificate in connection with the conduct of a trade or business within the United States and has furnished the transferor and the Trustee with an effective Internal Revenue Service Form W-8ECI (Certificate of Foreign Person’s Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade or Business in the United States) or successor form at the time and in the manner required by the Code or (iii) is a Non-U.S. Person that has delivered to both the transferor and the Trustee an opinion of a nationally recognized tax counsel to the effect that the transfer of such Residual Certificate to it is in accordance with the requirements of the Code and the regulations promulgated thereunder and that such transfer of a Residual Certificate will not be disregarded for federal income tax purposes. “Non-U.S. Person” means an individual, corporation, partnership or other person other than (i) a citizen or resident of the United States; (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any state thereof, including for this purpose, the District of Columbia; (iii) an estate that is subject to U.S. federal income tax regardless of the source of its income; (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States trustees have authority to control all substantial decisions of the trust; and, (v) to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996 that are treated as United States persons prior to such date and elect to continue to be treated as United States persons.

11. That the Purchaser agrees to such amendments of the Trust Agreement as may be required to further effectuate the restrictions on transfer of any Residual Certificate to such a “disqualified organization,” an agent thereof, a Book-Entry Nominee, or a person that does not satisfy the requirements of paragraph 7 and paragraph 10 hereof.
12. That the Purchaser consents to the designation of the Trustee as its agent to act as “tax matters person” of the Trust Fund pursuant to the Trust Agreement.

IN WITNESS WHEREOF, the Purchaser has caused this instrument to be executed on its behalf, pursuant to authority of its Board of Directors, by its [title of officer] this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
[Name of Purchaser]

By: \_\_\_\_\_  
Name:  
Title:

Personally appeared before me the above-named [name of officer] \_\_\_\_\_, known or proved to me to be the same person who executed the foregoing instrument and to be the [title of officer] \_\_\_\_\_ of the Purchaser, and acknowledged to me that he [she] executed the same as his [her] free act and deed and the free act and deed of the Purchaser.

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

NOTARY PUBLIC

\_\_\_\_\_

COUNTY OF \_\_\_\_\_

STATE OF \_\_\_\_\_

My commission expires the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.



EXHIBIT D-2

FORM OF RESIDUAL CERTIFICATE TRANSFER AFFIDAVIT (TRANSFEROR)

\_\_\_\_\_  
Date

Re: Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1  
Mortgage Pass-Through Certificates, Series 2007-BC1

\_\_\_\_\_ (the "Transferor") has reviewed the attached affidavit of \_\_\_\_\_ (the "Transferee"), and has no actual knowledge that such affidavit is not true and has no reason to believe that the information contained in paragraph 7 thereof is not true, and has no reason to believe that the Transferee has the intention to impede the assessment or collection of any federal, state or local taxes legally required to be paid with respect to a Residual Certificate. In addition, the Transferor has conducted a reasonable investigation at the time of the transfer and found that the Transferee had historically paid its debts as they came due and found no significant evidence to indicate that the Transferee will not continue to pay its debts as they become due.

Very truly yours,

\_\_\_\_\_  
Name:

Title:

EXHIBIT E

LIST OF SERVICING AGREEMENTS

1. Servicing Agreement dated as of January 1, 2007, by and among LBH, as seller, Option One Mortgage Company, as servicer, and the Master Servicer.
2. Securitization Servicing Agreement dated as of January 1, 2007, by and among LBH, as seller, JPMorgan Chase Bank, National Association, as servicer, and the Master Servicer.
3. Servicing Agreement dated as of January 1, 2007, by and among LBH, as seller, Aurora Loan Services LLC, as servicer, and the Master Servicer.

EXHIBIT F

FORM OF RULE 144A TRANSFER CERTIFICATE

Re: Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1  
Mortgage Pass-Through Certificates, Series 2007-BC1

Reference is hereby made to the Trust Agreement dated as of January 1, 2007 (the "Trust Agreement") by and among Structured Asset Securities Corporation, as Depositor, Wells Fargo Bank, N.A., as Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager. Capitalized terms used but not defined herein shall have the meanings given to them in the Trust Agreement.

This letter relates to \$\_\_\_\_\_ initial Certificate Balance of Class \_\_\_ Certificates which are held in the form of Definitive Certificates registered in the name of \_\_\_\_\_ (the "Transferor"). The Transferor has requested a transfer of such Definitive Certificates for Definitive Certificates of such Class registered in the name of [insert name of transferee].

In connection with such request, and in respect of such Certificates, the Transferor hereby certifies that such Certificates are being transferred in accordance with (i) the transfer restrictions set forth in the Trust Agreement and the Certificates and (ii) Rule 144A under the Securities Act to a purchaser that the Transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A purchasing for its own account or for the account of a "qualified institutional buyer," which purchaser is aware that the sale to it is being made in reliance upon Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction.

This certificate and the statements contained herein are made for your benefit and the benefit of the Placement Agent and the Depositor.

\_\_\_\_\_  
[Name of Transferor]

By: \_\_\_\_\_  
Name:  
Title:

Dated: \_\_\_\_\_, \_\_\_\_\_

EXHIBIT G

FORM OF PURCHASER'S LETTER FOR  
INSTITUTIONAL ACCREDITED INVESTORS

\_\_\_\_\_  
Date

Dear Sirs:

In connection with our proposed purchase of \$\_\_\_\_\_ principal amount of Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1, [Class B1] [Class B2] Certificates (the "Privately Offered Certificates") of the Structured Asset Securities Corporation (the "Depositor"), we confirm that:

- (1) We understand that the Privately Offered Certificates have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Privately Offered Certificates within two years of the later of the date of original issuance of the Privately Offered Certificates or the last day on which such Privately Offered Certificates are owned by the Depositor or any affiliate of the Depositor (which includes the Placement Agent) we will do so only (A) to the Depositor, (B) to "qualified institutional buyers" (within the meaning of Rule 144A under the Securities Act) in accordance with Rule 144A under the Securities Act ("QIBs"), (C) pursuant to the exemption from registration provided by Rule 144 under the Securities Act, or (D) to an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act that is not a QIB (an "Institutional Accredited Investor") which, prior to such transfer, delivers to the Trustee under the Trust Agreement dated as of January 1, 2007 by and among the Depositor, Aurora Loan Services LLC, as Master Servicer, Wells Fargo Bank, N.A., as Trustee (the "Trustee") and Clayton Fixed Income Services Inc., as Credit Risk Manager, a signed letter in the form of this letter; and we further agree, in the capacities stated above, to provide to any person purchasing any of the Privately Offered Certificates from us a notice advising such purchaser that resales of the Privately Offered Certificates are restricted as stated herein.
- (2) We understand that, in connection with any proposed resale of any Privately Offered Certificates to an Institutional Accredited Investor, we will be required to furnish to the Trustee and the Depositor a certification from such transferee in the form hereof to confirm that the proposed sale is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. We further understand that the Privately Offered Certificates purchased by us will bear a legend to the foregoing effect.

- (3) We are acquiring the Privately Offered Certificates for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Privately Offered Certificates, and we and any account for which we are acting are each able to bear the economic risk of such investment.
- (4) We are an Institutional Accredited Investor and we are acquiring the Privately Offered Certificates purchased by us for our own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which we exercise sole investment discretion.
- (5) We have received such information as we deem necessary in order to make our investment decision.
- (6) If we are acquiring ERISA-Restricted Certificates, we understand that in accordance with ERISA, the Code and the Exemption, no Plan and no person acting on behalf of such a Plan may acquire such Certificate except in accordance with Section 3.03(d) of the Trust Agreement.

Terms used in this letter which are not otherwise defined herein have the respective meanings assigned thereto in the Trust Agreement.

You and the Depositor are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

\_\_\_\_\_  
[Purchaser]

By: \_\_\_\_\_

Name:

Title:



4. The Investor hereby acknowledges that under the terms of the Trust Agreement (the "Agreement") by and among Structured Asset Securities Corporation, as Depositor, Wells Fargo Bank, N.A., as Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager, dated as of January 1, 2007, no transfer of the ERISA-Restricted Certificates or the ERISA-Restricted Trust Certificates shall be permitted to be made to any person unless the Trustee have received a certificate from such transferee in the form hereof.



IN WITNESS WHEREOF, the Investor has caused this instrument to be executed on its behalf, pursuant to proper authority, by its duly authorized officer, duly attested, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
[Investor]

By: \_\_\_\_\_

Name:

Title:

ATTEST:

\_\_\_\_\_

STATE OF )  
) ss:  
COUNTY OF )

Personally appeared before me the above-named \_\_\_\_\_, known or proved to me to be the same person who executed the foregoing instrument and to be the \_\_\_\_\_ of the Investor, and acknowledged that he executed the same as his free act and deed and the free act and deed of the Investor.

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires the  
\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

EXHIBIT I

MONTHLY REMITTANCE ADVICE

I-1

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EXHIBIT J

MONTHLY ELECTRONIC DATA TRANSMISSION

J-1

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EXHIBIT K

DESCRIPTION OF CUSTODIAL AGREEMENTS

1. Custodial Agreement dated as of January 1, 2007 between Deutsche Bank National Trust Company, as Custodian, and Wells Fargo Bank, N.A., as Trustee.
2. Custodial Agreement dated as of January 1, 2007 between Wells Fargo Bank, N.A., as Custodian, and Wells Fargo Bank, N.A., as Trustee.
3. Custodial Agreement dated as of January 1, 2007 between LaSalle Bank National Association, as Custodian, and Wells Fargo Bank, N.A., as Trustee.

EXHIBIT L

LIST OF CREDIT RISK MANAGEMENT AGREEMENTS

- 1) Credit Risk Management Agreement dated January 30, 2007 between the Credit Risk Manager and Option One Mortgage Corporation, as servicer.
- 2) Credit Risk Management Agreement dated January 30, 2007 between the Credit Risk Manager and Aurora Loan Services LLC, as servicer.
- 3) Credit Risk Management Agreement dated January 30, 2007 between the Credit Risk Manager and JPMorgan Chase Bank National Association, as servicer.

EXHIBIT M-1

FORM OF TRANSFER CERTIFICATE  
FOR TRANSFER FROM RESTRICTED GLOBAL SECURITY  
TO REGULATION S GLOBAL SECURITY  
(Transfers pursuant to § 3.03(h)(B)  
of the Agreement)

---

Re: Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1  
Mortgage Pass-Through Certificates Series 2007-BC1

Reference is hereby made to the Trust Agreement (the "Agreement") by and among Structured Asset Securities Corporation, as Depositor, Aurora Loan Services LLC, as Master Servicer, Clayton Fixed Income Services Inc., as Credit Risk Manager and Wells Fargo Bank, N.A., as Trustee, dated as of January 1, 2007. Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

This letter relates to U.S. \$ \_\_\_\_\_ aggregate principal amount of Securities which are held in the form of a Restricted Global Security with DTC in the name of [name of transferor] \_\_\_\_\_ (the "Transferor") to effect the transfer of the Securities in exchange for an equivalent beneficial interest in a Regulation S Global Security.

In connection with such request, the Transferor does hereby certify that such transfer has been effected in accordance with the transfer restrictions set forth in the Agreement and the Securities and in accordance with Rule 904 of Regulation S, and that:

- a. the offer of the Securities was not made to a person in the United States;
- b. at the time the buy order was originated, the transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the transferee was outside the United States;
- c. no directed selling efforts have been made in contravention of the requirements of Rule 903 or 904 of Regulation S, as applicable;
- d. the transaction is not part of a plan or scheme to evade the registration requirements of the United States Securities Act of 1933, as amended; and
- e. the transferee is not a U.S. person (as defined in Regulation S).

You are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

\_\_\_\_\_  
[Name of Transferor]

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, \_\_\_\_\_

M-1-2

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EXHIBIT M-2

FORM OF TRANSFER CERTIFICATE FOR TRANSFER  
FROM REGULATION S GLOBAL SECURITY  
TO RESTRICTED GLOBAL SECURITY  
(Transfers pursuant to § 3.03(h)(C)  
of the Agreement)

---

Re: Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1  
Mortgage Pass-Through Certificates Series 2007-BC1

Reference is hereby made to the Trust Agreement (the "Agreement") by and among Structured Asset Securities Corporation, as Depositor, Aurora Loan Services LLC, as Master Servicer, Clayton Fixed Income Services Inc., as Credit Risk Manager and Wells Fargo Bank, N.A., as Trustee, dated as of January 1, 2007. Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

This letter relates to U.S. \$ \_\_\_\_\_ aggregate principal amount of Securities which are held in the form of a Regulations S Global Security in the name of [name of transferor] \_\_\_\_\_ (the "Transferor") to effect the transfer of the Securities in exchange for an equivalent beneficial interest in a Restricted Global Security.

In connection with such request, and in respect of such Securities, the Transferor does hereby certify that such Securities are being transferred in accordance with (i) the transfer restrictions set forth in the Agreement and the Securities and (ii) Rule 144A under the United States Securities Act of 1933, as amended, to a transferee that the Transferor reasonably believes is purchasing the Securities for its own account or an account with respect to which the transferee exercises sole investment discretion, the transferee and any such account is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

\_\_\_\_\_  
[Name of Transferor]

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_, \_\_\_\_\_



EXHIBIT N

INTEREST RATE CAP AGREEMENT

N-1

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EXHIBIT O

SWAP AGREEMENT

O-1

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## EXHIBIT P-1

ADDITIONAL FORM 10-D DISCLOSURE	
Item on Form 10-D	Party Responsible
<b>Item 1: Distribution and Pool Performance Information</b>	
Information included in the Distribution Date Statement	Servicer <sup>(1)</sup> Master Servicer
Any information required by 1121 which is NOT included on the Distribution Date Statement	Depositor
<b>Item 2: Legal Proceedings</b>	
Any legal proceeding pending against the following entities or their respective property, that is material to Certificateholders, including any proceedings known to be contemplated by governmental authorities:	
▪ Issuing Entity (Trust Fund)	Trustee, Master Servicer and Depositor
▪ Sponsor (Seller)	Seller (if a party to the Trust Agreement) or Depositor
▪ Depositor	Depositor
▪ Trustee	Trustee
▪ Master Servicer	Master Servicer
▪ Custodian	Custodian <sup>(2)</sup>
▪ 1110(b) Originator	Depositor
▪ Any 1108(a)(2) Servicer (other than the Master Servicer)	Servicer <sup>(1)</sup>
▪ Any other party contemplated by 1100(d)(1)	Depositor
<b>Item 3: Sale of Securities and Use of Proceeds</b>	
<i>Information from Item 2(a) of Part II of Form 10-Q:</i>	Depositor
With respect to any sale of securities by the sponsor, depositor or issuing entity, that are backed by the same asset pool or are otherwise issued by the issuing entity, whether or not registered, provide the sales and use of proceeds information in Item 701 of Regulation S-K. Pricing information can be omitted if securities were not registered.	

<b>ADDITIONAL FORM 10-D DISCLOSURE</b>	
<b>Item on Form 10-D</b>	<b>Party Responsible</b>
<p style="text-align: center;"><b>Item 4: Defaults Upon Senior Securities</b></p> <p><i>Information from Item 3 of Part II of Form 10-Q:</i></p> <p>Report the occurrence of any Event of Default (after expiration of any grace period and provision of any required notice)</p>	Trustee
<p style="text-align: center;"><b>Item 5: Submission of Matters to a Vote of Security Holders</b></p> <p><i>Information from Item 4 of Part II of Form 10-Q</i></p>	Trustee
<p style="text-align: center;"><b>Item 6: Significant Obligor of Pool Assets</b></p> <p><i>Item 1112(b) - Significant Obligor Financial Information*</i></p> <p>*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Item.</p>	Depositor
<p style="text-align: center;"><b>Item 7: Significant Enhancement Provider Information</b></p> <p><i>Item 1114(b)(2) - Credit Enhancement Provider Financial Information*</i></p>	
<ul style="list-style-type: none"> <li>▪ Determining applicable disclosure threshold</li> </ul>	Depositor
<ul style="list-style-type: none"> <li>▪ Requesting required financial information (including any required accountants' consent to the use thereof) or effecting incorporation by reference</li> </ul>	Depositor
<p><i>Item 1115(b) - Derivative Counterparty Financial Information*</i></p>	
<ul style="list-style-type: none"> <li>▪ Determining current maximum probable exposure</li> </ul>	Depositor
<ul style="list-style-type: none"> <li>▪ Determining current significance percentage</li> </ul>	Depositor
<ul style="list-style-type: none"> <li>▪ Requesting required financial information (including any required accountants' consent to the use thereof) or effecting incorporation by reference</li> </ul>	Depositor
<p>*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Items.</p>	
<p style="text-align: center;"><b>Item 8: Other Information</b></p> <p><i>Disclose any information required to be reported on Form 8-K during the period covered by the Form 10-D but not reported</i></p>	Any party responsible for the applicable Form 8-K Disclosure item

<b>ADDITIONAL FORM 10-D DISCLOSURE</b>	
<b>Item on Form 10-D</b>	<b>Party Responsible</b>
<b>Item 9: Exhibits</b>	
<i>Monthly Statement to Certificateholders</i>	Trustee
<i>Exhibits required by Item 601 of Regulation S-K, such as material agreements</i>	Depositor

- 
- (1) This information to be provided pursuant to the applicable Servicing Agreement.
  - (2) This information to be provided pursuant to the applicable Custodial Agreement.

## EXHIBIT P-2

ADDITIONAL FORM 10-K DISCLOSURE	
Item on Form 10-K	Party Responsible
<b>Item 1B: Unresolved Staff Comments</b>	Depositor
<b>Item 9B: Other Information</b> Disclose any information required to be reported on Form 8-K during the fourth quarter covered by the Form 10-K but not reported	Any party responsible for disclosure items on Form 8-K
<b>Item 15: Exhibits, Financial Statement Schedules</b>	Trustee Depositor
<b>Reg AB Item 1112(b): Significant Obligors of Pool Assets</b>	
<i>Significant Obligor Financial Information*</i>	Depositor
*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Item.	
<b>Reg AB Item 1114(b)(2): Credit Enhancement Provider Financial Information</b>	
▪ Determining applicable disclosure threshold	Depositor
▪ Requesting required financial information (including any required accountants' consent to the use thereof) or effecting incorporation by reference	Depositor
*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Items.	
<b>Reg AB Item 1115(b): Derivative Counterparty Financial Information</b>	
▪ Determining current maximum probable exposure	Depositor
▪ Determining current significance percentage	Depositor
▪ Requesting required financial information (including any required accountants' consent to the use thereof) or effecting incorporation by reference	Depositor
*This information need only be reported on the Form 10-D for the distribution period in which updated information is required pursuant to the Items.	

<b>ADDITIONAL FORM 10-K DISCLOSURE</b>	
<b>Item on Form 10-K</b>	<b>Party Responsible</b>
<b>Reg AB Item 1117: Legal Proceedings</b>	
Any legal proceeding pending against the following entities or their respective property, that is material to Certificateholders, including any proceedings known to be contemplated by governmental authorities:	
▪ Issuing Entity (Trust Fund)	Trustee, Master Servicer and Depositor
▪ Sponsor (Seller)	Seller (if a party to the Trust Agreement) or Depositor
▪ Depositor	Depositor
▪ Trustee	Trustee
▪ Master Servicer	Master Servicer
▪ Custodian	Custodian <sup>(1)</sup>
▪ 1110(b) Originator	Depositor
▪ Any 1108(a)(2) Servicer (other than the Master Servicer)	Servicer <sup>(2)</sup>
▪ Any other party contemplated by 1100(d)(1)	Depositor
<b>Reg AB Item 1119: Affiliations and Relationships</b>	
Whether (a) the Sponsor (Seller), Depositor or Issuing Entity is an affiliate of the following parties, and (b) to the extent known and material, any of the following parties are affiliated with one another:	Depositor as to (a)
▪ Master Servicer	Master Servicer
▪ Trustee	Trustee
▪ Any other 1108(a)(3) servicer	Servicer <sup>(2)</sup>
▪ Any 1110 Originator	Depositor
▪ Any 1112(b) Significant Obligor	Depositor
▪ Any 1114 Credit Enhancement Provider	Depositor
▪ Any 1115 Derivate Counterparty Provider	Depositor
▪ Any other 1101(d)(1) material party	Depositor
Whether there are any “outside the ordinary course business arrangements” other than would be obtained in an arm’s length transaction between (a) the Sponsor (Seller), Depositor or Issuing Entity on the one hand, and (b) any of the following parties (or their affiliates) on the other hand, that exist currently or within the past two years and that are material to a Certificateholder’s understanding of the Certificates:	Depositor as to (a)
▪ Master Servicer	Master Servicer
▪ Trustee	Trustee
▪ Any other 1108(a)(3) servicer	Servicer <sup>(2)</sup>
▪ Any 1110 Originator	Depositor

<b>ADDITIONAL FORM 10-K DISCLOSURE</b>	
<b>Item on Form 10-K</b>	<b>Party Responsible</b>
▪ Any 1112(b) Significant Obligor	Depositor
▪ Any 1114 Credit Enhancement Provider	Depositor
▪ Any 1115 Derivate Counterparty Provider	Depositor
▪ Any other 1101(d)(1) material party	Depositor
Whether there are any specific relationships involving the transaction or the pool assets between (a) the Sponsor (Seller), Depositor or Issuing Entity on the one hand, and (b) any of the following parties (or their affiliates) on the other hand, that exist currently or within the past two years and that are material:	Depositor as to (a)
▪ Master Servicer	Master Servicer
▪ Trustee	Trustee
▪ Any other 1108(a)(3) servicer	Servicer <sup>(2)</sup>
▪ Any 1110 Originator	Depositor
▪ Any 1112(b) Significant Obligor	Depositor
▪ Any 1114 Credit Enhancement Provider	Depositor
▪ Any 1115 Derivate Counterparty Provider	Depositor
▪ Any other 1101(d)(1) material party	Depositor

(1) This information to be provided pursuant to the applicable Custodial Agreement.

(2) This information to be provided pursuant to the applicable Servicing Agreement.



## EXHIBIT P-3

FORM 8-K DISCLOSURE INFORMATION	
Item on Form 8-K	Party Responsible
<p><b>Item 1.01- Entry into a Material Definitive Agreement</b></p> <p>Disclosure is required regarding entry into or amendment of any definitive agreement that is material to the securitization, even if depositor is not a party.</p> <p>Examples: servicing agreement, custodial agreement.</p> <p>Note: disclosure not required as to definitive agreements that are fully disclosed in the prospectus</p>	All parties (with respect to any agreement entered into by such party)
<p><b>Item 1.02- Termination of a Material Definitive Agreement</b></p> <p>Disclosure is required regarding termination of any definitive agreement that is material to the securitization (other than expiration in accordance with its terms), even if depositor is not a party.</p> <p>Examples: servicing agreement, custodial agreement.</p>	All parties (with respect to any agreement entered into by such party)
<p><b>Item 1.03- Bankruptcy or Receivership</b></p> <p>Disclosure is required regarding the bankruptcy or receivership, with respect to any of the following:</p>	Depositor
▪ Sponsor (Seller)	Depositor/Sponsor (Seller)
▪ Depositor	Depositor
▪ Master Servicer	Master Servicer
▪ Affiliated Servicer	Servicer <sup>(1)</sup>
▪ Other Servicer servicing 20% or more of the pool assets at the time of the report	Servicer <sup>(1)</sup>
▪ Other material servicers	Servicer <sup>(1)</sup>
▪ Trustee	Trustee
▪ Significant Obligor	Depositor
▪ Credit Enhancer (10% or more)	Depositor
▪ Derivative Counterparty	Depositor
▪ Custodian	Custodian <sup>(2)</sup>

<b>FORM 8-K DISCLOSURE INFORMATION</b>	
<b>Item on Form 8-K</b>	<b>Party Responsible</b>
<p><b>Item 2.04- Triggering Events that Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement</b></p> <p>Includes an early amortization, performance trigger or other event, including event of default, that would materially alter the payment priority/distribution of cash flows/amortization schedule.</p> <p>Disclosure will be made of events other than waterfall triggers which are disclosed in the monthly statements to the Certificateholders.</p>	Depositor Master Servicer Trustee
<p><b>Item 3.03- Material Modification to Rights of Security Holders</b></p> <p>Disclosure is required of any material modification to documents defining the rights of Certificateholders, including the Trust Agreement.</p>	Trustee (only to the extent it is a party to any such documents) Depositor
<p><b>Item 5.03- Amendments of Articles of Incorporation or Bylaws; Change of Fiscal Year</b></p> <p>Disclosure is required of any amendment “to the governing documents of the issuing entity”.</p>	Depositor
<p><b>Item 6.01- ABS Informational and Computational Material</b></p>	Depositor
<p><b>Item 6.02- Change of Servicer or Trustee</b></p> <p>Requires disclosure of any removal, replacement, substitution or addition of any master servicer, affiliated servicer, other servicer servicing 10% or more of pool assets at time of report, other material servicers or trustee.</p>	Master Servicer/Depositor/ Servicer <sup>(1)</sup> /Trustee (as to itself)
<p>Reg AB disclosure about any new servicer or master servicer is also required.</p>	Servicer <sup>(1)</sup> /Master Servicer/Depositor
<p>Reg AB disclosure about any new Trustee is also required.</p>	New Trustee
<p><b>Item 6.03- Change in Credit Enhancement or External Support</b></p> <p>Covers termination of any enhancement in manner other than by its terms, the addition of an enhancement, or a material change in the enhancement provided. Applies to external credit enhancements as well as derivatives.</p>	Depositor/Trustee
<p>Reg AB disclosure about any new enhancement provider is also required.</p>	Depositor

<b>FORM 8-K DISCLOSURE INFORMATION</b>	
<b>Item on Form 8-K</b>	<b>Party Responsible</b>
<b>Item 6.04- Failure to Make a Required Distribution</b>	Trustee (so long as the Trustee is the Paying Agent)
<b>Item 6.05- Securities Act Updating Disclosure</b>  If any material pool characteristic differs by 5% or more at the time of issuance of the securities from the description in the final prospectus, provide updated Reg AB disclosure about the actual asset pool.	Depositor
<b>Item 7.01- Reg FD Disclosure</b>	All parties
<b>Item 8.01- Other Events</b>  Any event, with respect to which information is not otherwise called for in Form 8-K, that the registrant deems of importance to Certificateholders.	Depositor
<b>Item 9.01- Financial Statements and Exhibits</b>	Responsible party for reporting/disclosing the financial statement or exhibit

- (1) This information to be provided pursuant to the applicable Servicing Agreement.  
(2) This information to be provided pursuant to the applicable Custodial Agreement.

EXHIBIT P-4  
ADDITIONAL DISCLOSURE NOTIFICATION

Wells Fargo Bank, N.A., as Trustee  
9062 Old Annapolis Road  
Columbia, Maryland 21045  
Attn: Corporate Trust Services -SASCO 2007-BC1 - SEC Report Processing

RE: **\*\*Additional Form [10-D][10-K][8-K] Disclosure\*\*** Required

Ladies and Gentlemen:

In accordance with Section [ ] of the Trust Agreement, dated as of January 1, 2007, by and among Structured Asset Securities Corporation, as Depositor, Aurora Loan Services LLC, as Master Servicer, Clayton Fixed Income Services Inc., as Credit Risk Manager and Wells Fargo Bank, N.A., as Trustee, the undersigned, as [ ], hereby notifies you that certain events have come to our attention that [will] [may] need to be disclosed on Form [10-D][10-K][8-K].

Description of Additional Form [10-D][10-K][8-K] Disclosure :

List of any Attachments hereto to be included in the Additional Form [10-D][10-K][8-K] Disclosure:

Any inquiries related to this notification should be directed to [ ], phone number: [ ]; email address: [ ].

[NAME OF PARTY],  
as [role]

By: \_\_\_\_\_  
Name:  
Title:

cc: Wells Fargo Bank, N.A.  
Sixth Street and Marquette Avenue  
Minneapolis, Minnesota 55479

Structured Asset Securities Corporation  
745 Seventh Avenue, 7th Floor  
New York, New York 10019

EXHIBIT Q-1

FORM OF BACK-UP SARBANES-OXLEY CERTIFICATION

[ ]  
[ ]  
[ ]

Re: SASCO 2007-BC1

[\_\_\_\_\_] , the [\_\_\_\_\_] of [\_\_\_\_\_] (the "Company") hereby certifies to the Depositor, the Master Servicer and the Trustee, and each of their officers, directors and affiliates that:

(1) I have reviewed [the servicer compliance statement of the Company provided in accordance with Item 1123 of Regulation AB (the "Compliance Statement"),] the report on assessment of the Company's compliance with the Servicing Criteria set forth in Item 1122(d) of Regulation AB (the "Servicing Criteria"), provided in accordance with Rules 13a-18 and 15d-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Item 1122 of Regulation AB (the "Servicing Assessment"), the registered public accounting firm's attestation report provided in accordance with Rules 13a-18 and 15d-18 under the Exchange Act and Section 1122(b) of Regulation AB (the "Attestation Report"), and all servicing reports, officer's certificates and other information relating to the servicing of the Mortgage Loans by the Company during 200[ ] that were delivered by the Company to any of the Depositor, the Master Servicer and the Trustee pursuant to the Agreement (collectively, the "Company Servicing Information");

(2) Based on my knowledge, the Company Servicing Information, taken as a whole, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period of time covered by the Company Servicing Information;

(3) Based on my knowledge, all of the Company Servicing Information required to be provided by the Company under the Agreement has been provided to the Depositor, the Master Servicer and the Trustee;

(4) I am responsible for reviewing the activities performed by [\_\_\_\_\_] as [\_\_\_\_\_] under the [\_\_\_\_\_] (the "Agreement"), and based on my knowledge [and the compliance review conducted in preparing the Compliance Statement] and except as disclosed in [the Compliance Statement,] the Servicing Assessment or the Attestation Report, the Company has fulfilled its obligations under the Agreement in all material respects; and

(5) [The Compliance Statement required to be delivered by the Company pursuant to the Agreement, and] [The] [the] Servicing Assessment and Attestation Report required to be provided by the Company and [by any Subservicer or Subcontractor] pursuant to the Agreement, have been provided to the Depositor, the Master Servicer and the Trustee. Any material instances of noncompliance described in such reports have been disclosed to the Depositor, the Master Servicer and the Trustee. Any material instance of noncompliance with the Servicing Criteria has been disclosed in such reports.

Capitalized terms used but not defined herein have the meanings ascribed to them in the Trust Agreement, dated as of January 1, 2007 (the "Trust Agreement") by and among Structured Asset Securities Corporation, as Depositor, Wells Fargo Bank, N.A., as Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager. Capitalized terms used but not defined herein shall have the meanings given to them in the Trust Agreement.

[\_\_\_\_\_]

as [\_\_\_\_\_]

By:

Name:

Title:

Date:

EXHIBIT Q-2

FORM OF BACK-UP SARBANES-OXLEY CERTIFICATION  
TO BE PROVIDED BY THE TRUSTEE

Re: Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 (the “Trust”) Mortgage Pass-Through Certificates, Series 2007-BC1, issued pursuant to the Trust Agreement, dated as of January 1, 2007, among Structured Asset Securities Corporation, as Depositor, Aurora Loan Services, LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager, and Wells Fargo Bank, N.A., as Trustee \_\_\_\_\_

The Trustee hereby certifies to the Depositor and the Master Servicer, and their respective officers, directors and affiliates, and with the knowledge and intent that they will rely upon this certification, that:

(1) I have reviewed the annual report on Form 10-K for the fiscal year [\_\_\_\_\_] (the “Annual Report”), and all reports on Form 10-D required to be filed in respect of period covered by the Annual Report (collectively with the Annual Report, the “Reports”), of the Trust;

(2) To my knowledge, (a) the Reports, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Annual Report, and (b) the Trustee’s assessment of compliance and related attestation report referred to below, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by such assessment of compliance and attestation report;

(3) To my knowledge, the distribution information required to be provided by the Trustee under the Trust Agreement for inclusion in the Reports is included in the Reports;

(4) I am responsible for reviewing the activities performed by the Trustee under the Trust Agreement, and based on my knowledge and the compliance review conducted in preparing the assessment of compliance of the Trustee required by the Trust Agreement, and except as disclosed in the Reports, the Trustee has fulfilled its obligations under the Trust Agreement in all material respects; and

(5) The report on assessment of compliance with servicing criteria applicable to the Trustee for asset-backed securities of the Trustee and each Subcontractor utilized by the Trustee and related attestation report on assessment of compliance with servicing criteria applicable to it required to be included in the Annual Report in accordance with Item 1122 of Regulation AB and Exchange Act Rules 13a-18 and 15d-18 has been included as an exhibit to the Annual Report. Any material instances of non-compliance are described in such report and have been disclosed in the Annual Report.



In giving the certifications above, the Trustee has reasonably relied on information provided to it by the following unaffiliated parties: [names of servicer(s), master servicer, subservicer(s), depositor, trustee, custodian(s)]

Date: \_\_\_\_\_

WELLS FARGO BANK, N.A. ,  
solely in its capacity as Trustee

\_\_\_\_\_  
[Signature]

[Title]

EXHIBIT R-1

FORM OF WATCHLIST REPORT

R-1-1

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EXHIBIT R-2

FORM OF LOSS SEVERITY REPORT

R-2-1

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EXHIBIT R-3

FORM OF MORTGAGE INSURANCE CLAIMS REPORT

R-3-1

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EXHIBIT R-4

FORM OF PREPAYMENT PREMIUMS REPORT

R-4-1

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EXHIBIT R-5

FORM OF ANALYTICS REPORT

R-5-1

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EXHIBIT S

## SERVICING CRITERIA TO BE ADDRESSED IN REPORT ON ASSESSMENT OF COMPLIANCE

To:

[\_\_\_\_\_]

Where there are multiple checks for criteria the attesting party will identify in their management assertion that they are attesting only to the portion of the distribution chain they are responsible for in the related transaction agreements. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Trust Agreement dated as of January 1, 2007 (the "Agreement"), by and among Structured Asset Securities Corporation, as Depositor, Wells Fargo Bank, N.A., as Trustee, Aurora Loan Services LLC, as Master Servicer and Clayton Fixed Income Services Inc., as Credit Risk Manager.

If the Trustee and the Paying Agent are the same party, the servicing criteria of the Paying Agent listed below will be included in the Trustee's report.

<b>Reg AB Reference</b>	<b>Servicing Criteria</b>	<b>Paying Agent</b>	<b>Credit Risk Manager</b>	<b>Trustee</b>	<b>Master Servicer</b>
	<b>General Servicing Considerations</b>				
1122(d)(1)(i)	Policies and procedures are instituted to monitor any performance or other triggers and events of default in accordance with the transaction agreements.				<b>X</b>
1122(d)(1)(ii)	If any material servicing activities are outsourced to third parties, policies and procedures are instituted to monitor the third party's performance and compliance with such servicing activities.				
1122(d)(1)(iii)	Any requirements in the transaction agreements to maintain a back-up servicer for the pool assets are maintained.				<b>X</b>
1122(d)(1)(iv)	A fidelity bond and errors and omissions policy is in effect on the party participating in the servicing function throughout the reporting period in the amount of coverage required by and otherwise in accordance with the terms of the transaction agreements.				<b>X</b>

Reg AB Reference	Servicing Criteria	Paying Agent	Credit Risk Manager	Trustee	Master Servicer
	<b>Cash Collection and Administration</b>				
1122(d)(2)(i)	Payments on pool assets are deposited into the appropriate custodial bank accounts and related bank clearing accounts no more than two business days following receipt, or such other number of days specified in the transaction agreements.	X		X	X
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	X			X
1122(d)(2)(iii)	Advances of funds or guarantees regarding collections, cash flows or distributions, and any interest or other fees charged for such advances, are made, reviewed and approved as specified in the transaction agreements.				X
1122(d)(2)(iv)	The related accounts for the transaction, such as cash reserve accounts or accounts established as a form of over collateralization, are separately maintained (e.g., with respect to commingling of cash) as set forth in the transaction agreements.	X		X	X
1122(d)(2)(v)	Each custodial account is maintained at a federally insured depository institution as set forth in the transaction agreements. For purposes of this criterion, "federally insured depository institution" with respect to a foreign financial institution means a foreign financial institution that meets the requirements of Rule 13k-1(b)(1) of the Securities Exchange Act.			X	X
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	X			X
1122(d)(2)(vii)	Reconciliations are prepared on a monthly basis for all asset-backed securities related bank accounts, including custodial accounts and related bank clearing accounts. These reconciliations are (A) mathematically accurate; (B) prepared within 30 calendar days after the bank statement cutoff date, or such other number of days specified in the transaction agreements; (C) reviewed and approved by someone other than the person who prepared the reconciliation; and (D) contain explanations for reconciling items. These reconciling items are resolved within 90 calendar days of their original identification, or such other number of days specified in the transaction agreements.	X			X



<b>Reg AB Reference</b>	<b>Servicing Criteria</b>	<b>Paying Agent</b>	<b>Credit Risk Manager</b>	<b>Trustee</b>	<b>Master Servicer</b>
	<b>Investor Remittances and Reporting</b>				
1122(d)(3)(i)	Reports to investors, including those to be filed with the Commission, are maintained in accordance with the transaction agreements and applicable Commission requirements. Specifically, such reports (A) are prepared in accordance with timeframes and other terms set forth in the transaction agreements; (B) provide information calculated in accordance with the terms specified in the transaction agreements; (C) are filed with the Commission as required by its rules and regulations; and (D) agree with investors' or the trustee's records as to the total unpaid principal balance and number of pool assets serviced by the Servicer.		<b>X</b>	<b>X</b>	<b>X</b>
1122(d)(3)(ii)	Amounts due to investors are allocated and remitted in accordance with timeframes, distribution priority and other terms set forth in the transaction agreements.	<b>X</b>		<b>X</b>	<b>X</b>
1122(d)(3)(iii)	Disbursements made to an investor are posted within two business days to the Servicer's investor records, or such other number of days specified in the transaction agreements.	<b>X</b>			<b>X</b>
1122(d)(3)(iv)	Amounts remitted to investors per the investor reports agree with cancelled checks, or other form of payment, or custodial bank statements.	<b>X</b>			<b>X</b>
	<b>Pool Asset Administration</b>				
1122(d)(4)(i)	Collateral or security on pool assets is maintained as required by the transaction agreements or related pool asset documents.				
1122(d)(4)(ii)	Pool assets and related documents are safeguarded as required by the transaction agreements				
1122(d)(4)(iii)	Any additions, removals or substitutions to the asset pool are made, reviewed and approved in accordance with any conditions or requirements in the transaction agreements.				

Reg AB Reference	Servicing Criteria	Paying Agent	Credit Risk Manager	Trustee	Master Servicer
1122(d)(4)(iv)	Payments on pool assets, including any payoffs, made in accordance with the related pool asset documents are posted to the Servicer's obligor records maintained no more than two business days after receipt, or such other number of days specified in the transaction agreements, and allocated to principal, interest or other items (e.g., escrow) in accordance with the related pool asset documents.				
1122(d)(4)(v)	The Servicer's records regarding the pool assets agree with the Servicer's records with respect to an obligor's unpaid principal balance.				
1122(d)(4)(vi)	Changes with respect to the terms or status of an obligor's pool assets (e.g., loan modifications or re-agings) are made, reviewed and approved by authorized personnel in accordance with the transaction agreements and related pool asset documents.				X
1122(d)(4)(vii)	Loss mitigation or recovery actions (e.g., forbearance plans, modifications and deeds in lieu of foreclosure, foreclosures and repossessions, as applicable) are initiated, conducted and concluded in accordance with the timeframes or other requirements established by the transaction agreements.				X
1122(d)(4)(viii)	Records documenting collection efforts are maintained during the period a pool asset is delinquent in accordance with the transaction agreements. Such records are maintained on at least a monthly basis, or such other period specified in the transaction agreements, and describe the entity's activities in monitoring delinquent pool assets including, for example, phone calls, letters and payment rescheduling plans in cases where delinquency is deemed temporary (e.g., illness or unemployment).				
1122(d)(4)(ix)	Adjustments to interest rates or rates of return for pool assets with variable rates are computed based on the related pool asset documents.				

Reg AB Reference	Servicing Criteria	Paying Agent	Credit Risk Manager	Trustee	Master Servicer
1122(d)(4)(x)	Regarding any funds held in trust for an obligor (such as escrow accounts): (A) such funds are analyzed, in accordance with the obligor's pool asset documents, on at least an annual basis, or such other period specified in the transaction agreements; (B) interest on such funds is paid, or credited, to obligors in accordance with applicable pool asset documents and state laws; and (C) such funds are returned to the obligor within 30 calendar days of full repayment of the related pool assets, or such other number of days specified in the transaction agreements.				
1122(d)(4)(xi)	Payments made on behalf of an obligor (such as tax or insurance payments) are made on or before the related penalty or expiration dates, as indicated on the appropriate bills or notices for such payments, provided that such support has been received by the servicer at least 30 calendar days prior to these dates, or such other number of days specified in the transaction agreements.				
1122(d)(4)(xii)	Any late payment penalties in connection with any payment to be made on behalf of an obligor are paid from the Servicer's funds and not charged to the obligor, unless the late payment was due to the obligor's error or omission.				
1122(d)(4)(xiii)	Disbursements made on behalf of an obligor are posted within two business days to the obligor's records maintained by the servicer, or such other number of days specified in the transaction agreements.				
1122(d)(4)(xiv)	Delinquencies, charge-offs and uncollectible accounts are recognized and recorded in accordance with the transaction agreements.				X
1122(d)(4)(xv)	Any external enhancement or other support, identified in Item 1114(a)(1) through (3) or Item 1115 of Regulation AB, is maintained as set forth in the transaction agreements.			X	

EXHIBIT T

[RESERVED]

T-1

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EXHIBIT U

FORM OF CERTIFICATION  
TO BE PROVIDED BY THE CREDIT RISK MANAGER

**FORM OF CERTIFICATION**

Re: Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1, issued pursuant to the Trust Agreement dated as of January 1, 2007, among Structured Asset Securities Corporation, as Depositor (the "Depositor"), Aurora Loan Services LLC, as Master Servicer, Clayton Fixed Income Services Inc., as Credit Risk Manager and Wells Fargo Bank, N.A., as Trustee (the "Trustee").

CLAYTON FIXED INCOME SERVICES INC. (the "Credit Risk Manager") certifies to the Depositor, the Sponsor, the Master Servicer, the Trustee, and [10-K Signatory Entity] its officers, directors and affiliates, and with the knowledge and intent that they will rely upon this certification, that:

1. Based on the knowledge of the Credit Risk Manager, taken as a whole, the information in the reports provided during the calendar year immediately preceding the date of this certificate (the "Relevant Year") by the Credit Risk Manager pursuant to the Master Consulting Agreement dated as of January 28, 2004 (the "Master Consulting Agreement"), by and between the Credit Risk Manager and Lehman Brothers Holdings Inc. and pursuant to Transaction Addendum SASCO 2007-BC1 (the "Transaction Addendum SASCO 2007-BC1"), does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading as of the date that each of such reports was provided; and
2. The Credit Risk Manager has fulfilled its obligations under the Master Consulting Agreement and Transaction Addendum SASCO 2007-BC1 throughout the Relevant Year.

CLAYTON FIXED INCOME SERVICES INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT V

TRANSACTION PARTIES

Sponsor and Seller: Lehman Brothers Holdings Inc.

Depositor: Structured Asset Securities Corporation

Trustee: Wells Fargo Bank, N.A.

Securities Administrator: None.

Master Servicer: Aurora Loan Services LLC

Credit Risk Manager: Clayton Fixed Income Services Inc.

Swap Counterparty: Wachovia Bank, National Association

Cap Counterparty: Wachovia Bank, National Association

Servicer(s): Option One Mortgage Corporation, JPMorgan Chase Bank, National Association and Aurora Loan Services LLC

Originator(s): Option One Mortgage Corporation, BNC Mortgage Inc. and Lehman Brothers Bank, FSB

Custodian(s): Deutsche Bank National Trust Company, LaSalle Bank National Association and Wells Fargo Bank, N.A.

PMI Insurer(s): Mortgage Guaranty Insurance Corporation and PMI Mortgage Insurance Co.

EXHIBIT W

[RESERVED]

W-1

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EXHIBIT X

[Reserved]

X-1

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EXHIBIT Y

FORM OF CALL OPTION NOTICE

[Date]

[\_\_\_\_\_]

[\_\_\_\_\_]

[\_\_\_\_\_]

Attention: [\_\_\_\_\_]

Re: CALL OPTION NOTICE

Trust Agreement relating to the Structured Asset Securities Corporation Mortgage Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1, dated as of January 1, 2007, among Structured Asset Securities Corporation, as Depositor, Aurora Loan Services LLC, as Master Servicer, Clayton Fixed Income Services Inc., as Credit Risk Manager and Wells Fargo Bank, N.A., as Trustee \_\_\_\_\_

Ladies and Gentlemen:

In accordance with the Section 7.01(d)(vii) of the above-referenced Trust Agreement, Aurora Loan Services LLC, as Master Servicer, hereby notifies you that the option to purchase the Mortgage Loans and certain other property of the Trust Fund may be exercised on the Distribution Date of this month. The Bid Due Date for this month is [\_\_\_\_] [\_\_], 20[\_\_\_].

[In accordance with Section 7.01(d)(vii) of the Trust Agreement, if no Call Option Holder submits a Purchaser Call Option Notice on or before such Bid Due Date, then, on the immediately succeeding Distribution Date, the Master Servicer may exercise the option to purchase the Mortgage Loans and certain other property of the Trust Fund pursuant to Section 7.01(b) or Section 7.01(c) of the Trust Agreement.]

Capitalized terms used and not defined herein are used as defined in the Trust Agreement.

Very truly yours,

Aurora Loan Services LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT Z

FORM OF PURCHASER CALL OPTION NOTICE

[Date]

Aurora Loan Services LLC  
10350 Park Meadows Drive  
Littleton, Colorado 80124  
Attn: SASCO 2007-BC1

Re: PURCHASER CALL OPTION NOTICE  
Trust Agreement relating to the Structured Asset Securities Corporation Mortgage  
Loan Trust 2007-BC1 Mortgage Pass-Through Certificates, Series 2007-BC1,  
dated as of January 1, 2007, among Structured Asset Securities Corporation, as  
Depositor, Aurora Loan Services LLC, as Master Servicer, Clayton Fixed Income  
Services Inc., as Credit Risk Manager and Wells Fargo Bank, N.A., as Trustee

Ladies and Gentlemen:

In accordance with Section 7.01(d)(iii) of the above-referenced Trust Agreement, [NIM Residual Securities holder][Class X Certificateholder] hereby requests Aurora Loan Services LLC (the "Master Servicer") to exercise the option to purchase on its behalf with respect to all, but no fewer than all, of the Mortgage Loans and other property of the Trust Fund relating to the Structured Asset Securities Corporation Mortgage Loan Trust Mortgage Pass-Through Certificates, Series 2007-BC1.

The Bid Price for such assets shall be \$\_\_\_\_\_.

Capitalized terms used and not defined herein are used as defined in the Trust Agreement.

Very truly yours,

[CALL OPTION HOLDER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SCHEDULE A

MORTGAGE LOAN SCHEDULE

[To be retained in a separate closing binder entitled "SASCO 2007-BC1 Mortgage Loan Schedules" at McKee Nelson LLP]

Schedule-A-1

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SCHEDULE B

FIRST PAYMENT DEFAULT MORTGAGE LOANS

Schedule-B-1

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# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Wells Fargo Accused of Illegally Financing Legal Expenses](#)

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