SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the matter of the application of THE BANK OF NEW YORK MELLON, (as Trustee under various Pooling and Servicing Agreements and Indenture Trustee under various Indentures), Petitioner, for an order, pursuant to CPLR § 7701, seeking judicial instructions and approval of a proposed settlement.	:	Index No. 651786/2011 **AFFIRMATION OF MATTHEW D. INGBER**

MATTHEW D. INGBER, an attorney admitted to practice in the courts of the State of New York, affirms under penalty of perjury as follows:

1. I am a member of the firm of Mayer Brown LLP, attorneys for Petitioner The Bank of New York Mellon ("BNY Mellon" or "Trustee"), as trustee or indenture trustee under the five hundred and thirty (530) residential mortgage-securitization trusts listed on Exhibit A to the Verified Petition (the "Trusts"). I submit this affirmation in support of the Trustee's Verified Petition ("Petition").

2. Pursuant to Article 77 of the New York Civil Practice Law and Rules ("CPLR"), the Petition seeks judicial instructions and approval of a settlement (the "Settlement") between the Trustee, on the one hand, and Bank of America Corporation ("BAC"), BAC Home Loans Servicing, LP f/k/a Countrywide Home Loans Servicing, LP ("BAC HLS," and together with BAC, "Bank of America"), Countrywide Financial Corporation ("CFC"), and Countrywide Home Loans, Inc. ("CHL," and together with CFC, "Countrywide"). The special proceeding commenced by the Trustee seeking judicial instructions and approval of the Settlement is referred to herein as the "Article 77 Proceeding."

3. All but seventeen of the Trusts are evidenced by separate contracts known as Pooling and Servicing Agreements (the "PSAs") under which BNY Mellon is the trustee. The remainder of the Trusts are evidenced by indentures and related Sale and Servicing Agreements ("SSAs") under which BNY Mellon is the indenture trustee. The PSAs, indentures, and SSAs are collectively referred to herein as the "Governing Agreements." Attached hereto as **Exhibit A** is a true and correct copy of each of the Governing Agreements. Because the total volume of the Governing Agreements is thousands of pages, Exhibit A is being submitted in the form of a hard drive containing electronic versions of the Governing Agreements.

4. There are currently no adverse parties in the Article 77 Proceeding, but there are various entities that may have an interest in the subject matter of the Petition. They are referred to collectively herein as the "Potentially Interested Persons," and they consist of:

a. holders of certificates or notes evidencing various categories of ownership interests in the Trusts (the "Trust Beneficiaries");

b. the Seller (as defined in the Governing Agreements) in any of the Trusts: CHL, Park Granada LLC, Park Monaco, Inc., Park Sienna LLC, Countrywide LFT LLC, Belvedere Trust Finance Corporation and EMC Mortgage Corporation (collectively, the "Sellers");

c. the Master Servicer identified in each of the Trusts: BAC HLS;

d. the Depositor identified in any of the Governing Agreements: CWABS, Inc.; CWALT, Inc.; CWHEQ, Inc.; and CWMBS, Inc.;

e. the Rating Agencies identified in any of the Governing Agreements: Dominion Bond Rating Service; Fitch, Inc.; Moody's Investors Services, Inc.; and Standard & Poor's Rating Services;

f. the insurance companies that insure certain classes of certificates or notes under certain of the Governing Agreements: Ambac Assurance Corporation; Assured Guaranty Corporation; Financial Security Assurance, Inc.; MBIA Insurance Corporation; Radian Asset Assurance Inc.; and XL Capital Assurance, Inc.;

g. the entities designated as guarantors under certain of the Governing Agreements: Federal Home Loan Mortgage Corporation and Federal National Mortgage Association;

h. the entities designated as issuers under certain of the Governing Agreements: Countrywide Home Loan Trust 2004-SD2; CWABS Asset-Backed Notes Trust 2004-SD3; CWABS Asset-Backed Notes Trust 2004-SD4; CWABS Asset-Backed Notes Trust 2005-SD1; CWABS Asset-Backed Notes Trust 2005-SD2; CWABS Asset-Backed Notes Trust 2005-SD3; CWABS Asset-Backed Notes Trust 2006-SD1; CWABS Asset-Backed Notes Trust 2006-SD2; CWABS Asset-Backed Notes Trust 2006-SD3; CWABS Asset-Backed Notes Trust 2006-SD4; CWABS Asset-Backed Notes Trust 2007-SD1; CWABS Asset-Backed Notes Trust 2007-SEA1; CWABS Asset-Backed Notes Trust 2007-SEA2; CWHEQ Revolving Home Equity Loan Trust, Series 2006-A; and CWHEQ Revolving Home Equity Loan Trust, Series 2007-G;

i. the underwriters under certain of the Governing Agreements: Bear, Stearns & Co. Inc.; Citigroup Global Markets Inc.; Countrywide Securities Corporation; Credit Suisse First Boston LLC; Deutsche Bank Securities Inc.; Goldman, Sachs & Co.; Greenwich Capital Markets, Inc.; Lehman Brothers Inc.; and Morgan Stanley & Co. Incorporated;

j. the entities that served as either swap counterparties or corridor contract counterparties under certain of the Governing Agreements: Bank of America, N.A.; Barclays Bank PLC; Bear Stearns Financial Products Inc.; BNP Paribas; Credit Suisse International; Deutsche Bank AG; GMI Counsel; Lehman Brothers Special Financing Inc.; Merrill Lynch Capital Services, Inc.; Swiss Re Financial Products Corporation; The Royal Bank of Scotland plc; and UBS AG;

k. Wilmington Trust Company, as owner trustee of a Trust; and

l. Treasury Bank, a division of Countrywide Bank, F.S.B., as custodian of a Trust.

5. The Trustee intends to notify all Potentially Interested Persons of the Settlement and the related Article 77 Proceeding in the following manner:

a. by mailing the notice in the form attached hereto as **Exhibit B** (the "Notice"), along with the Order to Show Cause, the Verified Petition, the accompanying Memorandum of Law, and this affirmation, by first class, registered mail to any Trust Beneficiaries whose addresses appear in the register ("Certificate Register") containing the names and addresses of the beneficial owners who have not registered their certificates in the name of the Depository Trust Company ("DTC");

b. by mailing the Notice, the Order to Show Cause, the Verified Petition, the accompanying Memorandum of Law, and this affirmation, by first-class, registered mail to the parties to the Governing Agreements and all other Potentially Interested Persons listed in paragraph 4(b)-(l) above;

c. by providing the Notice to DTC, which will post such Notice in accordance with DTC's established procedures;

d. by publishing the Notice in *The Wall Street Journal (Global)*, *Financial Times Worldwide*, *The New York Times*, *The Times* (London), *USA Today*, *Investors Business Daily*, and *The Economist Worldwide Edition* for at least three (3) business days in each publication;

e. by publishing translated versions of the Notice in *Les Echos* (France), *Die Welt* (Germany), *Il Sole 24 Ore* (Italy), *Tages Anzeiger* (Switzerland), *NRC Handelsblad* (Netherlands); *The Nikkei* (Japan); *Straits Times* (Singapore); *New Straits Times* (Malaysia); *China Business News* (China); and *Korea Economic Daily* (South Korea) for at least three (3) business days in each publication;

f. by issuing the Notice to the following media distribution wire services: *PR Newswire*, *Business Wire*, and *GlobeNewswire*;

g. by posting the Notice, the Order to Show Cause, the Verified Petition, the accompanying Memorandum of Law, and this affirmation, to the website http://www.cwrmbssettlement.com, created by the Trustee to provide Potentially Interested Persons with notice of the Article 77 Proceeding;

h. by providing a hyperlink to www.cwrmbssettlement.com on BNY Mellon's investor reporting website, https://gctinvestorreporting.bnymellon.com/Home.jsp; and

i. by seeking to purchase banner advertisements announcing the Settlement, with a hyperlink to www.cwrmbssettlement.com, on the following websites: wsj.com, MarketWatch.com, Barrons.com, AllthingsD.com, SmartMoney.com, investors.com, ft.com, reuters.com, economist.com, Globalcustody.net, Assetman.net, FundServices.net, and yahoo.com.

6. Attached hereto as **Exhibit C** is a true and correct copy of the article published in *Debtwire* on or about February 15, 2011, titled "PIMCO, BlackRock and BofA settlement could bind other CFC RMBS investors."

7. Attached hereto as **Exhibit D** is a true and correct copy of the article published in *Debtwire* on or about February 23, 2011, titled "Legacy Countrywide Mortgage Investors Rally Against Potential Settlement with Bank of America."

8. Attached hereto as **Exhibit E** is a true and correct copy of the amended complaint (without exhibits) in the action titled *Walnut Place LLC et al. v. Countrywide Home Loans, Inc. et al.*, Index No. 650497/2011 (N.Y. Sup. Ct. N.Y. County).

9. Attached hereto as **Exhibit F** is a true and correct copy of the amended complaint in the action titled *Knights of Columbus v. The Bank of New York Mellon*, Index No. 6511442/2011 (N.Y. Sup. Ct. N.Y. County).

10. Attached hereto as **Exhibit G** is a true and correct copy of a representative PSA, dated November 1, 2006.

11. Attached hereto as **Exhibit H** is a true and correct copy of a representative indenture, dated October 11, 2007.

12. Attached hereto as **Exhibit I** is a true and correct copy of the Proposed Final Order and Judgment that is attached as Exhibit B to the settlement agreement between BNY Mellon, on the one hand, and Bank of America and Countrywide, on the other.

13. Attached hereto as **Exhibit J** is a compendium containing the unreported cases cited in The Bank of New York Mellon's Memorandum of Law In Support Of Its Verified Petition Seeking Judicial Instructions and Approval of a Proposed Settlement.

14. No prior application for relief has been made.

Dated: June 28, 2011
New York, New York

Matthew D. Ingber

EXHIBIT A

Exhibit A
Affirmation of Matthew D. Ingber

Exhibit	Document	Exhibit	Document
A-1	CWALT 2004-10CB Pooling and Servicing Agreement	A-47	CWALT 2005-16 Pooling and Servicing Agreement
A-2	CWALT 2004-12CB Pooling and Servicing Agreement	A-48	CWALT 2005-17 Pooling and Servicing Agreement
A-3	CWALT 2004-13CB Pooling and Servicing Agreement	A-49	CWALT 2005-18CB Pooling and Servicing Agreement
A-4	CWALT 2004-14T2 Pooling and Servicing Agreement	A-50	CWALT 2005-19CB Pooling and Servicing Agreement
A-5	CWALT 2004-15 Pooling and Servicing Agreement	A-51	CWALT 2005-1CB Pooling and Servicing Agreement
A-6	CWALT 2004-16CB Pooling and Servicing Agreement	A-52	CWALT 2005-2 Pooling and Servicing Agreement
A-7	CWALT 2004-17CB Pooling and Servicing Agreement	A-53	CWALT 2005-20CB Pooling and Servicing Agreement
A-8	CWALT 2004-18CB Pooling and Servicing Agreement	A-54	CWALT 2005-21CB Pooling and Servicing Agreement
A-9	CWALT 2004-20T1 Pooling and Servicing Agreement	A-55	CWALT 2005-22T1 Pooling and Servicing Agreement
A-10	CWALT 2004-22CB Pooling and Servicing Agreement	A-56	CWALT 2005-23CB Pooling and Servicing Agreement
A-11	CWALT 2004-24CB Pooling and Servicing Agreement	A-57	CWALT 2005-24 Pooling and Servicing Agreement
A-12	CWALT 2004-25CB Pooling and Servicing Agreement	A-58	CWALT 2005-25T1 Pooling and Servicing Agreement
A-13	CWALT 2004-26T1 Pooling and Servicing Agreement	A-59	CWALT 2005-26CB Pooling and Servicing Agreement
A-14	CWALT 2004-27CB Pooling and Servicing Agreement	A-60	CWALT 2005-27 Pooling and Servicing Agreement
A-15	CWALT 2004-28CB Pooling and Servicing Agreement	A-61	CWALT 2005-28CB Pooling and Servicing Agreement
A-16	CWALT 2004-29CB Pooling and Servicing Agreement	A-62	CWALT 2005-29CB Pooling and Servicing Agreement
A-17	CWALT 2004-2CB Pooling and Servicing Agreement	A-63	CWALT 2005-30CB Pooling and Servicing Agreement
A-18	CWALT 2004-30CB Pooling and Servicing Agreement	A-64	CWALT 2005-31 Pooling and Servicing Agreement
A-19	CWALT 2004-32CB Pooling and Servicing Agreement	A-65	CWALT 2005-32T1 Pooling and Servicing Agreement
A-20	CWALT 2004-33 Pooling and Servicing Agreement	A-66	CWALT 2005-33CB Pooling and Servicing Agreement
A-21	CWALT 2004-34T1 Pooling and Servicing Agreement	A-67	CWALT 2005-34CB Pooling and Servicing Agreement
A-22	CWALT 2004-35T2 Pooling and Servicing Agreement	A-68	CWALT 2005-35CB Pooling and Servicing Agreement
A-23	CWALT 2004-36CB Pooling and Servicing Agreement	A-69	CWALT 2005-36 Pooling and Servicing Agreement
A-24	CWALT 2004-3T1 Pooling and Servicing Agreement	A-70	CWALT 2005-37T1 Pooling and Servicing Agreement
A-25	CWALT 2004-4CB Pooling and Servicing Agreement	A-71	CWALT 2005-38 Pooling and Servicing Agreement
A-26	CWALT 2004-5CB Pooling and Servicing Agreement	A-72	CWALT 2005-3CB Pooling and Servicing Agreement
A-27	CWALT 2004-6CB Pooling and Servicing Agreement	A-73	CWALT 2005-4 Pooling and Servicing Agreement
A-28	CWALT 2004-7T1 Pooling and Servicing Agreement	A-74	CWALT 2005-40CB Pooling and Servicing Agreement
A-29	CWALT 2004-8CB Pooling and Servicing Agreement	A-75	CWALT 2005-41 Pooling and Servicing Agreement
A-30	CWALT 2004-9T1 Pooling and Servicing Agreement	A-76	CWALT 2005-42CB Pooling and Servicing Agreement
A-31	CWALT 2004-J10 Pooling and Servicing Agreement	A-77	CWALT 2005-43 Pooling and Servicing Agreement
A-32	CWALT 2004-J11 Pooling and Servicing Agreement	A-78	CWALT 2005-44 Pooling and Servicing Agreement
A-33	CWALT 2004-J12 Pooling and Servicing Agreement	A-79	CWALT 2005-45 Pooling and Servicing Agreement
A-34	CWALT 2004-J13 Pooling and Servicing Agreement	A-80	CWALT 2005-46CB Pooling and Servicing Agreement
A-35	CWALT 2004-J2 Pooling and Servicing Agreement	A-81	CWALT 2005-47CB Pooling and Servicing Agreement
A-36	CWALT 2004-J3 Pooling and Servicing Agreement	A-82	CWALT 2005-48T1 Pooling and Servicing Agreement
A-37	CWALT 2004-J4 Pooling and Servicing Agreement	A-83	CWALT 2005-49CB Pooling and Servicing Agreement
A-38	CWALT 2004-J5 Pooling and Servicing Agreement	A-84	CWALT 2005-50CB Pooling and Servicing Agreement
A-39	CWALT 2004-J6 Pooling and Servicing Agreement	A-85	CWALT 2005-51 Pooling and Servicing Agreement
A-40	CWALT 2004-J7 Pooling and Servicing Agreement	A-86	CWALT 2005-52CB Pooling and Servicing Agreement
A-41	CWALT 2004-J8 Pooling and Servicing Agreement	A-87	CWALT 2005-53T2 Pooling and Servicing Agreement
A-42	CWALT 2004-J9 Pooling and Servicing Agreement	A-88	CWALT 2005-54CB Pooling and Servicing Agreement
A-43	CWALT 2005-10CB Pooling and Servicing Agreement	A-89	CWALT 2005-55CB Pooling and Servicing Agreement
A-44	CWALT 2005-11CB Pooling and Servicing Agreement	A-90	CWALT 2005-56 Pooling and Servicing Agreement
A-45	CWALT 2005-13CB Pooling and Servicing Agreement	A-91	CWALT 2005-57CB Pooling and Servicing Agreement
A-46	CWALT 2005-14 Pooling and Servicing Agreement	A-92	CWALT 2005-58 Pooling and Servicing Agreement

Exhibit A
Affirmation of Matthew D. Ingber

Exhibit	Document	Exhibit	Document
A-93	CWALT 2005-59 Pooling and Servicing Agreement	A-139	CWALT 2006-13T1 Pooling and Servicing Agreement
A-94	CWALT 2005-60T1 Pooling and Servicing Agreement	A-140	CWALT 2006-14CB Pooling and Servicing Agreement
A-95	CWALT 2005-61 Pooling and Servicing Agreement	A-141	CWALT 2006-15CB Pooling and Servicing Agreement
A-96	CWALT 2005-62 Pooling and Servicing Agreement	A-142	CWALT 2006-16CB Pooling and Servicing Agreement
A-97	CWALT 2005-63 Pooling and Servicing Agreement	A-143	CWALT 2006-17T1 Pooling and Servicing Agreement
A-98	CWALT 2005-64CB Pooling and Servicing Agreement	A-144	CWALT 2006-18CB Pooling and Servicing Agreement
A-99	CWALT 2005-65CB Pooling and Servicing Agreement	A-145	CWALT 2006-19CB Pooling and Servicing Agreement
A-100	CWALT 2005-66 Pooling and Servicing Agreement	A-146	CWALT 2006-20CB Pooling and Servicing Agreement
A-101	CWALT 2005-67CB Pooling and Servicing Agreement	A-147	CWALT 2006-21CB Pooling and Servicing Agreement
A-102	CWALT 2005-69 Pooling and Servicing Agreement	A-148	CWALT 2006-23CB Pooling and Servicing Agreement
A-103	CWALT 2005-70CB Pooling and Servicing Agreement	A-149	CWALT 2006-24CB Pooling and Servicing Agreement
A-104	CWALT 2005-71 Pooling and Servicing Agreement	A-150	CWALT 2006-25CB Pooling and Servicing Agreement
A-105	CWALT 2005-72 Pooling and Servicing Agreement	A-151	CWALT 2006-26CB Pooling and Servicing Agreement
A-106	CWALT 2005-73CB Pooling and Servicing Agreement	A-152	CWALT 2006-27CB Pooling and Servicing Agreement
A-107	CWALT 2005-74T1 Pooling and Servicing Agreement	A-153	CWALT 2006-28CB Pooling and Servicing Agreement
A-108	CWALT 2005-75CB Pooling and Servicing Agreement	A-154	CWALT 2006-29T1 Pooling and Servicing Agreement
A-109	CWALT 2005-76 Pooling and Servicing Agreement	A-155	CWALT 2006-2CB Pooling and Servicing Agreement
A-110	CWALT 2005-77T1 Pooling and Servicing Agreement	A-156	CWALT 2006-30T1 Pooling and Servicing Agreement
A-111	CWALT 2005-79CB Pooling and Servicing Agreement	A-157	CWALT 2006-31CB Pooling and Servicing Agreement
A-112	CWALT 2005-7CB Pooling and Servicing Agreement	A-158	CWALT 2006-32CB Pooling and Servicing Agreement
A-113	CWALT 2005-80CB Pooling and Servicing Agreement	A-159	CWALT 2006-33CB Pooling and Servicing Agreement
A-114	CWALT 2005-81 Pooling and Servicing Agreement	A-160	CWALT 2006-34 Pooling and Servicing Agreement
A-115	CWALT 2005-82 Pooling and Servicing Agreement	A-161	CWALT 2006-35CB Pooling and Servicing Agreement
A-116	CWALT 2005-83CB Pooling and Servicing Agreement	A-162	CWALT 2006-36T2 Pooling and Servicing Agreement
A-117	CWALT 2005-84 Pooling and Servicing Agreement	A-163	CWALT 2006-39CB Pooling and Servicing Agreement
A-118	CWALT 2005-85CB Pooling and Servicing Agreement	A-164	CWALT 2006-40T1 Pooling and Servicing Agreement
A-119	CWALT 2005-86CB Pooling and Servicing Agreement	A-165	CWALT 2006-41CB Pooling and Servicing Agreement
A-120	CWALT 2005-9CB Pooling and Servicing Agreement	A-166	CWALT 2006-42 Pooling and Servicing Agreement
A-121	CWALT 2005-AR1 Pooling and Servicing Agreement	A-167	CWALT 2006-43CB Pooling and Servicing Agreement
A-122	CWALT 2005-IM1 Pooling and Servicing Agreement	A-168	CWALT 2006-45T1 Pooling and Servicing Agreement
A-123	CWALT 2005-J1 Pooling and Servicing Agreement	A-169	CWALT 2006-46 Pooling and Servicing Agreement
A-124	CWALT 2005-J10 Pooling and Servicing Agreement	A-170	CWALT 2006-4CB Pooling and Servicing Agreement
A-125	CWALT 2005-J11 Pooling and Servicing Agreement	A-171	CWALT 2006-5T2 Pooling and Servicing Agreement
A-126	CWALT 2005-J12 Pooling and Servicing Agreement	A-172	CWALT 2006-6CB Pooling and Servicing Agreement
A-127	CWALT 2005-J13 Pooling and Servicing Agreement	A-173	CWALT 2006-7CB Pooling and Servicing Agreement
A-128	CWALT 2005-J14 Pooling and Servicing Agreement	A-174	CWALT 2006-8T1 Pooling and Servicing Agreement
A-129	CWALT 2005-J2 Pooling and Servicing Agreement	A-175	CWALT 2006-9T1 Pooling and Servicing Agreement
A-130	CWALT 2005-J3 Pooling and Servicing Agreement	A-176	CWALT 2006-HY10 Pooling and Servicing Agreement
A-131	CWALT 2005-J4 Pooling and Servicing Agreement	A-177	CWALT 2006-HY11 Pooling and Servicing Agreement
A-132	CWALT 2005-J5 Pooling and Servicing Agreement	A-178	CWALT 2006-HY12 Pooling and Servicing Agreement
A-133	CWALT 2005-J6 Pooling and Servicing Agreement	A-179	CWALT 2006-HY13 Pooling and Servicing Agreement
A-134	CWALT 2005-J7 Pooling and Servicing Agreement	A-180	CWALT 2006-HY3 Pooling and Servicing Agreement
A-135	CWALT 2005-J8 Pooling and Servicing Agreement	A-181	CWALT 2006-J1 Pooling and Servicing Agreement
A-136	CWALT 2005-J9 Pooling and Servicing Agreement	A-182	CWALT 2006-J2 Pooling and Servicing Agreement
A-137	CWALT 2006-11CB Pooling and Servicing Agreement	A-183	CWALT 2006-J3 Pooling and Servicing Agreement
A-138	CWALT 2006-12CB Pooling and Servicing Agreement	A-184	CWALT 2006-J4 Pooling and Servicing Agreement

Exhibit A
Affirmation of Matthew D. Ingber

Exhibit	Document	Exhibit	Document
A-185	CWALT 2006-J5 Pooling and Servicing Agreement	A-231	CWALT 2007-23CB Pooling and Servicing Agreement
A-186	CWALT 2006-J6 Pooling and Servicing Agreement	A-232	CWALT 2007-24 Pooling and Servicing Agreement
A-187	CWALT 2006-J7 Pooling and Servicing Agreement	A-233	CWALT 2007-25 Pooling and Servicing Agreement
A-188	CWALT 2006-J8 Pooling and Servicing Agreement	A-234	CWALT 2007-2CB Pooling and Servicing Agreement
A-189	CWALT 2006-OA1 Pooling and Servicing Agreement	A-235	CWALT 2007-3T1 Pooling and Servicing Agreement
A-190	CWALT 2006-OA10 Pooling and Servicing Agreement	A-236	CWALT 2007-4CB Pooling and Servicing Agreement
A-191	CWALT 2006-OA11 Pooling and Servicing Agreement	A-237	CWALT 2007-5CB Pooling and Servicing Agreement
A-192	CWALT 2006-OA12 Pooling and Servicing Agreement	A-238	CWALT 2007-6 Pooling and Servicing Agreement
A-193	CWALT 2006-OA14 Pooling and Servicing Agreement	A-239	CWALT 2007-7T2 Pooling and Servicing Agreement
A-194	CWALT 2006-OA16 Pooling and Servicing Agreement	A-240	CWALT 2007-8CB Pooling and Servicing Agreement
A-195	CWALT 2006-OA17 Pooling and Servicing Agreement	A-241	CWALT 2007-9T1 Pooling and Servicing Agreement
A-196	CWALT 2006-OA18 Pooling and Servicing Agreement	A-242	CWALT 2007-AL1 Pooling and Servicing Agreement
A-197	CWALT 2006-OA19 Pooling and Servicing Agreement	A-243	CWALT 2007-HY2 Pooling and Servicing Agreement
A-198	CWALT 2006-OA2 Pooling and Servicing Agreement	A-244	CWALT 2007-HY3 Pooling and Servicing Agreement
A-199	CWALT 2006-OA21 Pooling and Servicing Agreement	A-245	CWALT 2007-HY4 Pooling and Servicing Agreement
A-200	CWALT 2006-OA22 Pooling and Servicing Agreement	A-246	CWALT 2007-HY6 Pooling and Servicing Agreement
A-201	CWALT 2006-OA3 Pooling and Servicing Agreement	A-247	CWALT 2007-HY7C Pooling and Servicing Agreement
A-202	CWALT 2006-OA6 Pooling and Servicing Agreement	A-248	CWALT 2007-HY8C Pooling and Servicing Agreement
A-203	CWALT 2006-OA7 Pooling and Servicing Agreement	A-249	CWALT 2007-HY9 Pooling and Servicing Agreement
A-204	CWALT 2006-OA8 Pooling and Servicing Agreement	A-250	CWALT 2007-J1 Pooling and Servicing Agreement
A-205	CWALT 2006-OA9 Pooling and Servicing Agreement	A-251	CWALT 2007-J2 Pooling and Servicing Agreement
A-206	CWALT 2006-OC1 Pooling and Servicing Agreement	A-252	CWALT 2007-OA10 Pooling and Servicing Agreement
A-207	CWALT 2006-OC10 Pooling and Servicing Agreement	A-253	CWALT 2007-OA11 Pooling and Servicing Agreement
A-208	CWALT 2006-OC11 Pooling and Servicing Agreement	A-254	CWALT 2007-OA2 Pooling and Servicing Agreement
A-209	CWALT 2006-OC2 Pooling and Servicing Agreement	A-255	CWALT 2007-OA3 Pooling and Servicing Agreement
A-210	CWALT 2006-OC3 Pooling and Servicing Agreement	A-256	CWALT 2007-OA4 Pooling and Servicing Agreement
A-211	CWALT 2006-OC4 Pooling and Servicing Agreement	A-257	CWALT 2007-OA6 Pooling and Servicing Agreement
A-212	CWALT 2006-OC5 Pooling and Servicing Agreement	A-258	CWALT 2007-OA7 Pooling and Servicing Agreement
A-213	CWALT 2006-OC6 Pooling and Servicing Agreement	A-259	CWALT 2007-OA8 Pooling and Servicing Agreement
A-214	CWALT 2006-OC7 Pooling and Servicing Agreement	A-260	CWALT 2007-OA9 Pooling and Servicing Agreement
A-215	CWALT 2006-OC8 Pooling and Servicing Agreement	A-261	CWALT 2007-OH1 Pooling and Servicing Agreement
A-216	CWALT 2006-OC9 Pooling and Servicing Agreement	A-262	CWALT 2007-OH2 Pooling and Servicing Agreement
A-217	CWALT 2007-10CB Pooling and Servicing Agreement	A-263	CWALT 2007-OH3 Pooling and Servicing Agreement
A-218	CWALT 2007-11T1 Pooling and Servicing Agreement	A-264	CWHEL 2006-A Indenture
A-219	CWALT 2007-12T1 Pooling and Servicing Agreement	A-265	CWHEL 2006-A Sale and Servicing Agreement
A-220	CWALT 2007-13 Pooling and Servicing Agreement	A-266	CWHEL 2007-G Indenture
A-221	CWALT 2007-14T2 Pooling and Servicing Agreement	A-267	CWHEL 2007-G Sale and Servicing Agreement
A-222	CWALT 2007-15CB Pooling and Servicing Agreement	A-268	CWHL 2004-10 Pooling and Servicing Agreement
A-223	CWALT 2007-16CB Pooling and Servicing Agreement	A-269	CWHL 2004-11 Pooling and Servicing Agreement
A-224	CWALT 2007-17CB Pooling and Servicing Agreement	A-270	CWHL 2004-12 Pooling and Servicing Agreement
A-225	CWALT 2007-18CB Pooling and Servicing Agreement	A-271	CWHL 2004-13 Pooling and Servicing Agreement
A-226	CWALT 2007-19 Pooling and Servicing Agreement	A-272	CWHL 2004-14 Pooling and Servicing Agreement
A-227	CWALT 2007-1T1 Pooling and Servicing Agreement	A-273	CWHL 2004-15 Pooling and Servicing Agreement
A-228	CWALT 2007-20 Pooling and Servicing Agreement	A-274	CWHL 2004-16 Pooling and Servicing Agreement
A-229	CWALT 2007-21CB Pooling and Servicing Agreement	A-275	CWHL 2004-18 Pooling and Servicing Agreement
A-230	CWALT 2007-22 Pooling and Servicing Agreement	A-276	CWHL 2004-19 Pooling and Servicing Agreement

Exhibit A
Affirmation of Matthew D. Ingber

Exhibit	Document	Exhibit	Document
A-277	CWHL 2004-2 Pooling and Servicing Agreement	A-323	CWHL 2005-23 Pooling and Servicing Agreement
A-278	CWHL 2004-20 Pooling and Servicing Agreement	A-324	CWHL 2005-24 Pooling and Servicing Agreement
A-279	CWHL 2004-21 Pooling and Servicing Agreement	A-325	CWHL 2005-25 Pooling and Servicing Agreement
A-280	CWHL 2004-22 Pooling and Servicing Agreement	A-326	CWHL 2005-26 Pooling and Servicing Agreement
A-281	CWHL 2004-23 Pooling and Servicing Agreement	A-327	CWHL 2005-27 Pooling and Servicing Agreement
A-282	CWHL 2004-24 Pooling and Servicing Agreement	A-328	CWHL 2005-28 Pooling and Servicing Agreement
A-283	CWHL 2004-25 Pooling and Servicing Agreement	A-329	CWHL 2005-29 Pooling and Servicing Agreement
A-284	CWHL 2004-29 Pooling and Servicing Agreement	A-330	CWHL 2005-3 Pooling and Servicing Agreement
A-285	CWHL 2004-3 Pooling and Servicing Agreement	A-331	CWHL 2005-30 Pooling and Servicing Agreement
A-286	CWHL 2004-4 Pooling and Servicing Agreement	A-332	CWHL 2005-31 Pooling and Servicing Agreement
A-287	CWHL 2004-5 Pooling and Servicing Agreement	A-333	CWHL 2005-5 Pooling and Servicing Agreement
A-288	CWHL 2004-6 Pooling and Servicing Agreement	A-334	CWHL 2005-6 Pooling and Servicing Agreement
A-289	CWHL 2004-7 Pooling and Servicing Agreement	A-335	CWHL 2005-7 Pooling and Servicing Agreement
A-290	CWHL 2004-8 Pooling and Servicing Agreement	A-336	CWHL 2005-9 Pooling and Servicing Agreement
A-291	CWHL 2004-9 Pooling and Servicing Agreement	A-337	CWHL 2005-HYB10 Pooling and Servicing Agreement
A-292	CWHL 2004-HYB1 Pooling and Servicing Agreement	A-338	CWHL 2005-HYB1 Pooling and Servicing Agreement
A-293	CWHL 2004-HYB2 Pooling and Servicing Agreement	A-339	CWHL 2005-HYB2 Pooling and Servicing Agreement
A-294	CWHL 2004-HYB3 Pooling and Servicing Agreement	A-340	CWHL 2005-HYB3 Pooling and Servicing Agreement
A-295	CWHL 2004-HYB4 Pooling and Servicing Agreement	A-341	CWHL 2005-HYB4 Pooling and Servicing Agreement
A-296	CWHL 2004-HYB5 Pooling and Servicing Agreement	A-342	CWHL 2005-HYB5 Pooling and Servicing Agreement
A-297	CWHL 2004-HYB6 Pooling and Servicing Agreement	A-343	CWHL 2005-HYB6 Pooling and Servicing Agreement
A-298	CWHL 2004-HYB7 Pooling and Servicing Agreement	A-344	CWHL 2005-HYB7 Pooling and Servicing Agreement
A-299	CWHL 2004-HYB8 Pooling and Servicing Agreement	A-345	CWHL 2005-HYB8 Pooling and Servicing Agreement
A-300	CWHL 2004-HYB9 Pooling and Servicing Agreement	A-346	CWHL 2005-J1 Pooling and Servicing Agreement
A-301	CWHL 2004-J2 Pooling and Servicing Agreement	A-347	CWHL 2005-J2 Pooling and Servicing Agreement
A-302	CWHL 2004-J3 Pooling and Servicing Agreement	A-348	CWHL 2005-J3 Pooling and Servicing Agreement
A-303	CWHL 2004-J4 Pooling and Servicing Agreement	A-349	CWHL 2005-J4 Pooling and Servicing Agreement
A-304	CWHL 2004-J5 Pooling and Servicing Agreement	A-350	CWHL 2006-1 Pooling and Servicing Agreement
A-305	CWHL 2004-J6 Pooling and Servicing Agreement	A-351	CWHL 2006-10 Pooling and Servicing Agreement
A-306	CWHL 2004-J7 Pooling and Servicing Agreement	A-352	CWHL 2006-11 Pooling and Servicing Agreement
A-307	CWHL 2004-J8 Pooling and Servicing Agreement	A-353	CWHL 2006-12 Pooling and Servicing Agreement
A-308	CWHL 2004-J9 Pooling and Servicing Agreement	A-354	CWHL 2006-13 Pooling and Servicing Agreement
A-309	CWHL 2005-1 Pooling and Servicing Agreement	A-355	CWHL 2006-14 Pooling and Servicing Agreement
A-310	CWHL 2005-10 Pooling and Servicing Agreement	A-356	CWHL 2006-15 Pooling and Servicing Agreement
A-311	CWHL 2005-11 Pooling and Servicing Agreement	A-357	CWHL 2006-16 Pooling and Servicing Agreement
A-312	CWHL 2005-12 Pooling and Servicing Agreement	A-358	CWHL 2006-17 Pooling and Servicing Agreement
A-313	CWHL 2005-13 Pooling and Servicing Agreement	A-359	CWHL 2006-18 Pooling and Servicing Agreement
A-314	CWHL 2005-14 Pooling and Servicing Agreement	A-360	CWHL 2006-19 Pooling and Servicing Agreement
A-315	CWHL 2005-15 Pooling and Servicing Agreement	A-361	CWHL 2006-20 Pooling and Servicing Agreement
A-316	CWHL 2005-16 Pooling and Servicing Agreement	A-362	CWHL 2006-21 Pooling and Servicing Agreement
A-317	CWHL 2005-17 Pooling and Servicing Agreement	A-363	CWHL 2006-3 Pooling and Servicing Agreement
A-318	CWHL 2005-18 Pooling and Servicing Agreement	A-364	CWHL 2006-6 Pooling and Servicing Agreement
A-319	CWHL 2005-2 Pooling and Servicing Agreement	A-365	CWHL 2006-8 Pooling and Servicing Agreement
A-320	CWHL 2005-20 Pooling and Servicing Agreement	A-366	CWHL 2006-9 Pooling and Servicing Agreement
A-321	CWHL 2005-21 Pooling and Servicing Agreement	A-367	CWHL 2006-HYB1 Pooling and Servicing Agreement
A-322	CWHL 2005-22 Pooling and Servicing Agreement	A-368	CWL 2004-11 Pooling and Servicing Agreement

Exhibit A
Affirmation of Matthew D. Ingber

Exhibit	Document	Exhibit	Document
A-369	CWHL 2006-HYB2 Pooling and Servicing Agreement	A-415	CWL 2004-12 Pooling and Servicing Agreement
A-370	CWHL 2006-HYB3 Pooling and Servicing Agreement	A-416	CWL 2004-13 Pooling and Servicing Agreement
A-371	CWHL 2006-HYB4 Pooling and Servicing Agreement	A-417	CWL 2004-14 Pooling and Servicing Agreement
A-372	CWHL 2006-HYB5 Pooling and Servicing Agreement	A-418	CWL 2004-15 Pooling and Servicing Agreement
A-373	CWHL 2006-J1 Pooling and Servicing Agreement	A-419	CWL 2004-2 Pooling and Servicing Agreement
A-374	CWHL 2006-J2 Pooling and Servicing Agreement	A-420	CWL 2004-3 Pooling and Servicing Agreement
A-375	CWHL 2006-J3 Pooling and Servicing Agreement	A-421	CWL 2004-4 Pooling and Servicing Agreement
A-376	CWHL 2006-J4 Pooling and Servicing Agreement	A-422	CWL 2004-5 Pooling and Servicing Agreement
A-377	CWHL 2006-OA4 Pooling and Servicing Agreement	A-423	CWL 2004-6 Pooling and Servicing Agreement
A-378	CWHL 2006-OA5 Pooling and Servicing Agreement	A-424	CWL 2004-7 Pooling and Servicing Agreement
A-379	CWHL 2006-TM1 Pooling and Servicing Agreement	A-425	CWL 2004-8 Pooling and Servicing Agreement
A-380	CWHL 2007-1 Pooling and Servicing Agreement	A-426	CWL 2004-9 Pooling and Servicing Agreement
A-381	CWHL 2007-10 Pooling and Servicing Agreement	A-427	CWL 2004-AB1 Pooling and Servicing Agreement
A-382	CWHL 2007-11 Pooling and Servicing Agreement	A-428	CWL 2004-AB2 Pooling and Servicing Agreement
A-383	CWHL 2007-12 Pooling and Servicing Agreement	A-429	CWL 2004-BC2 Pooling and Servicing Agreement
A-384	CWHL 2007-13 Pooling and Servicing Agreement	A-430	CWL 2004-BC3 Pooling and Servicing Agreement
A-385	CWHL 2007-14 Pooling and Servicing Agreement	A-431	CWL 2004-BC4 Pooling and Servicing Agreement
A-386	CWHL 2007-15 Pooling and Servicing Agreement	A-432	CWL 2004-BC5 Pooling and Servicing Agreement
A-387	CWHL 2007-16 Pooling and Servicing Agreement	A-433	CWL 2004-ECC1 Pooling and Servicing Agreement
A-388	CWHL 2007-17 Pooling and Servicing Agreement	A-434	CWL 2004-ECC2 Pooling and Servicing Agreement
A-389	CWHL 2007-18 Pooling and Servicing Agreement	A-435	CWL 2004-S1 Pooling and Servicing Agreement
A-390	CWHL 2007-19 Pooling and Servicing Agreement	A-436	CWL 2004-SD2 Indenture
A-391	CWHL 2007-2 Pooling and Servicing Agreement	A-437	CWL 2004-SD2 Sale and Servicing Agreement
A-392	CWHL 2007-20 Pooling and Servicing Agreement	A-438	CWL 2004-SD3 Indenture
A-393	CWHL 2007-21 Pooling and Servicing Agreement	A-439	CWL 2004-SD3 Sale and Servicing Agreement
A-394	CWHL 2007-3 Pooling and Servicing Agreement	A-440	CWL 2004-SD4 Indenture
A-395	CWHL 2007-4 Pooling and Servicing Agreement	A-441	CWL 2004-SD4 Sale and Servicing Agreement
A-396	CWHL 2007-5 Pooling and Servicing Agreement	A-442	CWL 2005-1 Pooling and Servicing Agreement
A-397	CWHL 2007-6 Pooling and Servicing Agreement	A-443	CWL 2005-10 Pooling and Servicing Agreement
A-398	CWHL 2007-7 Pooling and Servicing Agreement	A-444	CWL 2005-11 Pooling and Servicing Agreement
A-399	CWHL 2007-8 Pooling and Servicing Agreement	A-445	CWL 2005-12 Pooling and Servicing Agreement
A-400	CWHL 2007-9 Pooling and Servicing Agreement	A-446	CWL 2005-13 Pooling and Servicing Agreement
A-401	CWHL 2007-HY1 Pooling and Servicing Agreement	A-447	CWL 2005-14 Pooling and Servicing Agreement
A-402	CWHL 2007-HY3 Pooling and Servicing Agreement	A-448	CWL 2005-15 Pooling and Servicing Agreement
A-403	CWHL 2007-HY4 Pooling and Servicing Agreement	A-449	CWL 2005-16 Pooling and Servicing Agreement
A-404	CWHL 2007-HY5 Pooling and Servicing Agreement	A-450	CWL 2005-17 Pooling and Servicing Agreement
A-405	CWHL 2007-HY6 Pooling and Service Agreement	A-451	CWL 2005-2 Pooling and Servicing Agreement
A-406	CWHL 2007-HY7 Pooling and Servicing Agreement	A-452	CWL 2005-3 Pooling and Servicing Agreement
A-407	CWHL 2007-HYB1 Pooling and Servicing Agreement	A-453	CWL 2005-4 Indenture
A-408	CWHL 2007-HYB2 Pooling and Servicing Agreement	A-454	CWL 2005-4 Sale and Servicing Agreement
A-409	CWHL 2007-J1 Pooling and Servicing Agreement	A-455	CWL 2005-5 Pooling and Servicing Agreement
A-410	CWHL 2007-J2 Pooling and Servicing Agreement	A-456	CWL 2005-6 Pooling and Servicing Agreement
A-411	CWHL 2007-J3 Pooling and Servicing Agreement	A-457	CWL 2005-7 Pooling and Servicing Agreement
A-412	CWHL 2008-1 Pooling and Servicing Agreement	A-458	CWL 2005-8 Pooling and Servicing Agreement
A-413	CWL 2004-1 Pooling and Servicing Agreement	A-459	CWL 2005-9 Pooling and Servicing Agreement
A-414	CWL 2004-10 Pooling and Servicing Agreement	A-460	CWL 2006-BC1 Pooling and Servicing Agreement

Exhibit A
Affirmation of Matthew D. Ingber

Exhibit	Document	Exhibit	Document
A-461	CWL 2005-AB1 Pooling and Servicing Agreement	A-507	CWL 2006-BC2 Pooling and Servicing Agreement
A-462	CWL 2005-AB2 Pooling and Servicing Agreement	A-508	CWL 2006-BC3 Pooling and Servicing Agreement
A-463	CWL 2005-AB3 Pooling and Servicing Agreement	A-509	CWL 2006-BC4 Pooling and Servicing Agreement
A-464	CWL 2005-AB4 Pooling and Servicing Agreement	A-510	CWL 2006-BC5 Pooling and Servicing Agreement
A-465	CWL 2005-AB5 Pooling and Servicing Agreement	A-511	CWL 2006-IM1 Pooling and Servicing Agreement
A-466	CWL 2005-BC1 Pooling and Servicing Agreement	A-512	CWL 2006-QH1 Pooling and Servicing Agreement
A-467	CWL 2005-BC2 Pooling and Servicing Agreement	A-513	CWL 2006-SD1 Indenture
A-468	CWL 2005-BC3 Pooling and Servicing Agreement	A-514	CWL 2006-SD1 Sale and Servicing Agreement
A-469	CWL 2005-BC4 Pooling and Servicing Agreement	A-515	CWL 2006-SD2 Indenture
A-470	CWL 2005-BC5 Pooling and Servicing Agreement	A-516	CWL 2006-SD2 Sale and Servicing Agreement
A-471	CWL 2005-IM1 Pooling and Servicing Agreement	A-517	CWL 2006-SD3 Indenture
A-472	CWL 2005-IM2 Pooling and Servicing Agreement	A-518	CWL 2006-SD3 Sale and Servicing Agreement
A-473	CWL 2005-IM3 Pooling and Servicing Agreement	A-519	CWL 2006-SD4 Indenture
A-474	CWL 2005-SD1 Indenture	A-520	CWL 2006-SD4 Sale and Servicing Agreement
A-475	CWL 2005-SD1 Sale and Servicing Agreement	A-521	CWL 2006-SPS1 Pooling and Servicing Agreement
A-476	CWL 2005-SD2 Indenture	A-522	CWL 2006-SPS2 Pooling and Servicing Agreement
A-477	CWL 2005-SD2 Sale and Servicing Agreement	A-523	CWL 2007-1 Pooling and Servicing Agreement
A-478	CWL 2005-SD3 Indenture	A-524	CWL 2007-10 Pooling and Servicing Agreement
A-479	CWL 2005-SD3 Sale and Servicing Agreement	A-525	CWL 2007-11 Pooling and Servicing Agreement
A-480	CWL 2006-1 Pooling and Servicing Agreement	A-526	CWL 2007-12 Pooling and Servicing Agreement
A-481	CWL 2006-10 Pooling and Servicing Agreement	A-527	CWL 2007-13 Pooling and Servicing Agreement
A-482	CWL 2006-11 Pooling and Servicing Agreement	A-528	CWL 2007-2 Pooling and Servicing Agreement
A-483	CWL 2006-12 Pooling and Servicing Agreement	A-529	CWL 2007-3 Pooling and Servicing Agreement
A-484	CWL 2006-13 Pooling and Servicing Agreement	A-530	CWL 2007-4 Pooling and Servicing Agreement
A-485	CWL 2006-14 Pooling and Servicing Agreement	A-531	CWL 2007-5 Pooling and Servicing Agreement
A-486	CWL 2006-15 Pooling and Servicing Agreement	A-532	CWL 2007-6 Pooling and Servicing Agreement
A-487	CWL 2006-16 Pooling and Servicing Agreement	A-533	CWL 2007-7 Pooling and Servicing Agreement
A-488	CWL 2006-17 Pooling and Servicing Agreement	A-534	CWL 2007-8 Pooling and Servicing Agreement
A-489	CWL 2006-18 Pooling and Servicing Agreement	A-535	CWL 2007-9 Pooling and Servicing Agreement
A-490	CWL 2006-19 Pooling and Servicing Agreement	A-536	CWL 2007-BC1 Pooling and Servicing Agreement
A-491	CWL 2006-2 Pooling and Servicing Agreement	A-537	CWL 2007-BC2 Pooling and Servicing Agreement
A-492	CWL 2006-20 Pooling and Servicing Agreement	A-538	CWL 2007-BC3 Pooling and Servicing Agreement
A-493	CWL 2006-21 Pooling and Servicing Agreement	A-539	CWL 2007-SD1 Indenture
A-494	CWL 2006-22 Pooling and Servicing Agreement	A-540	CWL 2007-SD1 Sale and Servicing Agreement
A-495	CWL 2006-23 Pooling and Servicing Agreement	A-541	CWL 2007-SEA1 Indenture
A-496	CWL 2006-24 Pooling and Servicing Agreement	A-542	CWL 2007-SEA1 Sale and Servicing Agreement
A-497	CWL 2006-25 Pooling and Servicing Agreement	A-543	CWL 2007-SEA2 Indenture
A-498	CWL 2006-26 Pooling and Servicing Agreement	A-544	CWL 2007-SEA2 Sale and Servicing Agreement
A-499	CWL 2006-3 Pooling and Servicing Agreement	A-545	CWL 2005-HYB9 Indenture
A-500	CWL 2006-4 Pooling and Servicing Agreement	A-546	CWL 2005-HYB9 Sale and Servicing Agreement
A-501	CWL 2006-5 Pooling and Servicing Agreement		
A-502	CWL 2006-6 Pooling and Servicing Agreement		
A-503	CWL 2006-7 Pooling and Servicing Agreement		
A-504	CWL 2006-8 Pooling and Servicing Agreement		
A-505	CWL 2006-9 Pooling and Servicing Agreement		
A-506	CWL 2006-ABC1 Pooling and Servicing Agreement		

EXHIBIT B

NOTICE OF A SPECIAL PROCEEDING AND PROPOSED SETTLEMENT BETWEEN THE BANK OF NEW YORK MELLON, AS TRUSTEE OR INDENTURE TRUSTEE, AND BANK OF AMERICA CORPORATION, COUNTRYWIDE HOME LOANS, INC., COUNTRYWIDE FINANCIAL CORPORATION, AND BAC HOME LOANS SERVICING, LP

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF CERTIFICATES OR NOTES ("CERTIFICATEHOLDERS") UNDER THE 530 COUNTRYWIDE MORTGAGE-SECURITIZATION TRUSTS LISTED IN EXHIBIT A ("TRUSTS") AND OTHER PERSONS POTENTIALLY INTERESTED IN THE TRUSTS. THIS NOTICE CONTAINS IMPORTANT INFORMATION FOR CERTIFICATEHOLDERS AND OTHER PERSONS POTENTIALLY INTERESTED IN THE TRUSTS.

IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RETRANSMITTAL TO CERTIFICATEHOLDERS IN A TIMELY MANNER.

This notice (the "Notice") is given to you by The Bank of New York Mellon ("Trustee"), as trustee or indenture trustee under the Pooling and Servicing Agreements and Indentures and related Sales and Servicing Agreements (collectively, the "Governing Agreements") governing the Trusts.

A settlement has been reached between the Trustee, on the one hand, and Countrywide Home Loans, Inc. ("CHL"), Countrywide Financial Corporation (together with CHL, "Countrywide"), Bank of America Corporation ("BAC"), and BAC Home Loans Servicing, LP, formerly known as Countrywide Home Loans Servicing, LP ("BAC HLS," and together with BAC, "Bank of America"), on the other, concerning CHL's alleged breaches of representations and warranties in the Governing Agreements, and BAC HLS's alleged violations of prudent servicing obligations thereunder (the "Settlement"). The Settlement requires Bank of America and/or Countrywide to pay a total of US$8,500,000,000.00 (US$8.5 billion) into the Trusts (the "Settlement Payment"). It also requires BAC HLS to implement, among other things, a series of loan servicing procedures and improvements. The Trustee has filed a Verified Petition and commenced a special proceeding, *In the matter of the application of The Bank of New York Mellon* (Index No.___/2011), in the Supreme Court of the State of New York, County of New York (the "Court") seeking a judgment, among other things, approving the Settlement and ordering that the Settlement is binding on all Certificateholders. The Settlement Agreement is attached to the Verified Petition as Exhibit B.

The Court has scheduled a hearing on the Verified Petition for November ___, 2011 at __:00 _.m. at the Supreme Court of the State of New York, County of New York, 60 Centre Street, New York, New York 10007. The Court has the right to change the hearing date or time without further notice. At the hearing, the Court will determine, among other things, whether to approve the Settlement and make it binding on all Certificateholders, and will consider other important matters described in the Settlement Agreement. The Settlement, if approved by the Court, will affect the rights and interests of all Certificateholders, and their successors-in-interests and assigns, in the Trusts, including by, among other things, releasing claims on behalf of the Trustee, the Trusts and all Certificateholders in the Trusts and their successors-in-interests and

assigns arising out of or relating to (i) the origination, sale, or delivery of mortgages to the Trusts, including representations and warranties made with respect to those mortgages and any mortgage repurchase obligations, (ii) servicing of the mortgages in the Trusts, with certain exceptions, and (iii) documentation of the mortgages in the Trusts, with certain exceptions. (See the Settlement Agreement for a complete description of the releases provided for therein.)

Any Certificateholder or other person potentially interested in the Trusts may object to any aspect of the Settlement and request to be heard at the hearing by submitting a written notice prior to the hearing in the manner explained in the Court's Order dated _____, 2011 (the "Preliminary Order"). The Court has directed that any objections to the Settlement must be filed with the Court and served upon the Trustee's counsel by August 30, 2011, and that any (i) responses to objections, or (ii) submissions in favor of or with respect to the Settlement, must be filed and served by October 31, 2011. (Further information regarding the methodology for filing and serving papers is contained in the Preliminary Order and available as explained below.) If the Court approves the Settlement, all Certificateholders will be bound by the Settlement and the releases contained in the Settlement Agreement whether or not they appeared in the matter or submitted any objection to the Settlement. The Court has ordered that anyone who fails to object in the manner described in the Preliminary Order shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection before the Court or in any other action or proceeding, unless the Court orders otherwise. The Court has ordered that it retains jurisdiction over the Trustee, the Trusts and all Certificateholders (and their successors-in-interests, assigns or transferees, whether past, present or future) for all matters related to the Settlement and the special proceeding commenced by the Trustee seeking approval of the Settlement.

This Notice summarizes the special proceeding and the Settlement and is not a complete statement of the special proceeding or the Settlement. The Verified Petition, any papers filed in support of the Verified Petition, any orders entered by the Court in the special proceeding and other information relevant to the special proceeding are available at **http://www.cwrmbssettlement.com**, which will be updated when additional papers are filed or additional orders are entered in the special proceeding. You should also be able to obtain any documents filed with the Court by visiting the Court's website: http://iapps.courts.state.ny.us/iscroll/. If you have any questions, you may call (866) 294-7876 in the United States, (614) 569-0289 outside the United States, or send an email to Questions@cwrmbssettlement.com.

Inquiries should NOT be directed to the Trustee, the Court, or the Clerk of the Court.

MISCELLANEOUS

Certificateholders and other persons potentially interested in the Trusts should not rely on the Trustee, or on counsel or other advisors retained by the Trustee, as their sole source of information. The Trustee neither makes any recommendation generally nor otherwise gives any investment advice herein.

EXHIBIT C

15-Feb-11 18:33 PIMCO, BlackRock and BofA settlement could bind other CFC RMBS investors -- UPDATE Story

PIMCO, **BlackRock** and **Bank of America** could try to make their settlement of poor servicing allegations binding on other investors in **Countrywide** RMBS, whether the other investors agree to the terms or not, said David Grais, a partner at Grais & Ellsworth.

The parties are attempting to encompass all Countrywide RMBS into the deal - which could be finalized in as little as 30 days - two sources with knowledge of the situation said. Grais said it was too soon to speculate on the quality of the settlement, but that his firm is advising investors about how they can object to it, should the terms be meager.

Grais & Ellsworth, which represented Greenwich Financial Services in an earlier buyback case against Countrywide, is looking into the potential for recourse against the trustee for the affected deals, Bank of New York Mellon, in case it participates in the settlement, Grais said.

The settlement would coincide with BofA's plans to shift its legacy assets into a separate unit and is likely to pay out "pennies on the dollar," to RMBS investors, one of the sources with knowledge said. The agreement could include promises to change servicing practices and a one-time payment to settle representation and warrant breaches, the sources said.

Reaching a settlement will likely hinge on Bank of New York's involvement, the second source said. The trustee could agree to a pre-packaged settlement, for example, that would implicate a wide range of Countrywide trusts, on top of those the investors have standing in, said the source.

"I'm concerned this could be a sell-out," the second source with knowledge of the situation said.

A lawyer for the investors, Kathy Patrick, a partner at Houston, Texas-based firm Gibbs & Bruns, sent a notice of non-compliance to BofA's Countrywide servicing unit on 18 October. Patrick cited USD 47bn in affected RMBS (see the list below). On 2 February, the investor group agreed to extend BofA's time period to respond for a second time.

Patrick declined to comment on the timeline for the settlement, or its terms. "We don't have a deal yet," she said. Bank of America spokesperson Jerry Dubrowski said only that the bank was in ongoing discussions with the investor group.

A Bank of New York spokesperson declined to comment.

Broader implications

The settlement could be used as a roadmap for resolving similar buyback and servicing challenges pending against the nation's largest banks, the sources said. In January, GSEs Fannie Mae and Freddie Mac agreed to settle Countrywide RMBS buyback claims against BofA for under USD 3bn. The figure represents about 70%-75% of the bank's buyback exposure to the GSEs, Barclays analysts estimated at the time.

Georgetown University professor Adam Levitin suggested US banks come to a global settlement

on mortgage issues in November testimony to Congress. Such a deal would involve a restructuring of bank balance sheets, special servicing and a quieting of title on securitized properties.

Last week, BofA announced it would separate its legacy asset servicing from the rest of its operations. Similarly, JPMorgan Chase, embroiled in buyback suits involving its EMC and WaMu portfolios, today told employees that its Chief Administrative Officer Frank Bisignano would be overseeing its servicing unit, according to an internal memo.

"If they have a separate unit, they can put some money in it and hopefully get a court to say 'this is all fair and good,'" the first source with knowledge said.

Double agents

Investors hoping for a greater reimbursement of securities-gone-bad said they are concerned that light settlements for servicing wrongs – including failure to disclose breaches of representations and warranties – could stall the return of a new issue non-agency RMBS market and allow poor servicing practices to continue.

More parties are getting involved in the dispute, said Greenwich Financial Services CEO Bill Frey. A growing number of foreign investors are joining the RMBS Investors Clearing House, a consortium of investors facilitated by Talcott Franklin PC, he said.

The letter sent by the Gibbs & Bruns group was signed by BlackRock, Freddie Mac, Kore Advisors, the Federal Reserve Bank of New York (on behalf of the Maiden Lane funds), Metropolitan Life Insurance Company, Neuberger Berman Europe, PIMCO and Western Asset Management Company. The relationships the entities maintain with BofA and the US Government led some – including BofA – to question the seriousness of the buyback pursuit.

BlackRock holds an estimated USD 3.4bn in BofA equity alone. Moreover, BlackRock, PIMCO and fellow signatory Western Asset Management Co. run PPIP funds, as previously reported.

Patrick denied allegations that the firms' pursuit lacked teeth. "I don't know how anybody could look at the list of institutions that has previously been published … and conclude that they were pursuing discussions in anything other than a good faith effort," Patrick said.

Part of the group represented by Gibbs & Bruns participated in an earlier effort to displace BofA as servicer of the Countrywide RMBS but shifted gears on disagreement over how aggressively to pursue the nation's largest bank. The group is rumored to have proof that places BofA in default of its servicing duties – specifically that it modified first lien mortgages while leaving the associated second lien intact, as previously reported.

The Gibbs & Bruns letter did not prove the impact of alleged servicing wrongs on specific loans. Patrick declined to comment on whether the group had such evidence.

In order to prove a servicer default, specific loan level evidence proving a breach of contractual

duties is typically needed at the onset because it is challenging to obtain even in the course of litigation, as previously reported. Once a servicer is labeled in default, the trustee is obligated to pursue a replacement servicer and/or potential representation and warranty breaches under the "prudent person" clause of the US Trustee Act.

by Allison Pyburn

Source Debtwire

EXHIBIT D

FT.com FINANCIAL TIMES MERGERMARKET

Legacy Countrywide mortgage investors rally against potential settlement with Bank of America

Print

By Allison Pyburn, Edited by Adelene Lee

Published: February 23 2011 06:31 | Last updated: February 23 2011 06:31

A growing faction of mortgage bond investors are rallying to fight a potential "sweetheart" deal between Bank of America and a handful of friendly funds related to Countrywide Financial's mortgage buyback saga, Debtwire reports.

The investors fear talks led by some of the nation's largest fund managers, including PIMCO and BlackRock, along with Freddie Mac and the New York Federal Reserve, could bind them to pennies-on-the-dollar payouts even though contractually Countrywide's owner is required to repurchase all flawed mortgages at par, said two sources involved in the negotiations. A deal could materialise in as little as 30 days, they said.

Investors looking to be refunded for loans that don't meet the criteria they were promised accuse the bank of selling them Pintos instead of Ferraris. In Countrywide deals, the number of mortgages that differ substantially from their descriptions is estimated between 40%-45% to as high as 70% of the balance, according to one of the sources involved and a source familiar with the lender's collateral.

Attempts to reach a side-deal with BofA reflect underlying fears the US retail and investment bank could be forced to re-absorb billions of the non-conforming loans at par to settle a mounting chorus of buyback challenges, the sources said.

The US government extended the bank a multi-billion dollar lifeline in 2008 as it tee-tolled from heavy losses at Merrill Lynch. Countrywide was taken over in a USD 4.1bn stock deal in 2008, making BofA the largest US mortgage lender. Shortly after, BofA infused Countrywide with billions as it struggled against mortgage losses, securities investor lawsuits and the largest predatory lending settlement in the nation's history.

An agreement struck between the big boys could bind all non-agency mortgage backed securities issued by Countrywide, BofA and potentially Merrill Lynch, should trustees for the deals participate, said David Grais, a partner in New York law firm Grais & Ellsworth, which represented Greenwich Financial in a buyback case against Countrywide in 2007. Such a deal would likely prevent mortgage bond investors from pursuing a higher payout in the future, Grais said. Between 2004 and 2007 Merrill Lynch and Countrywide issued at least 491 deals totaling USD 414bn.

The agreement would mirror the USD 3bn deal BofA arranged with Freddie and Fannie Mae in January. Opponents say it would allow poor servicing practices to continue and hamper investor confidence in the mortgage bond market at a time when government lending is beginning to contract.

'Double agents'

All of the mortgage bond investors, including PIMCO and BlackRock, initially banded together to pursue full reimbursements for bad mortgages sold into the Countrywide mortgage deals they bought, the second source involved said. The investors compiled evidence that Countrywide was granting first lien mortgage modifications to consumers, but denying them a second lien modification when BofA stood to take a loss from the work-out, the source said. The first mortgages Countrywide services were already sold to RMBS investors, but BofA holds more than USD 100bn in second lien mortgages on its balance sheet and it would be forced to write them down following a modification, the sources said. The investors found evidence of the so-called servicer self-dealing in 200 RMBS deals holding USD 200bn in mortgages, the sources said.

The evidence would have armed bond investors with the arsenal to declare BofA in default of its Countrywide servicing contracts, stripping it of its servicing rights, while revealing information that would have resulted in untold amounts of repurchase requests, the source said. BlackRock and PIMCO, however, switched course.

The BlackRock and PIMCO-led faction turned to Kathy Patrick, a partner in Houston, Texas-based law firm Gibbs and Bruns, and employed several tactics to recover their losses – but balked at using the evidence, according to the source.

The funds eventually sent Countrywide a non-compliance notice on 18 October, demanding it cure a number of

servicing breaches, but did not provide specific evidence, according to a copy of the letter obtained by Debtwire. The funds agreed to extend the 60-day cure window twice, most recently on 2 February, according to Patrick.

In order to prove a servicer has breached its contractual duties, specific evidence is required at the onset because it becomes challenging to obtain it during litigation. Once a servicer defaults, the trustee is obligated to pursue a replacement servicer and/or potential representation and warranty breaches under the "prudent person" clause of the US Trustee Act.

Because it declined to use the allegedly damming evidence, the PIMCO group's attempts to negotiate with BofA has been labeled as "unleashing a dog with no teeth"- - partly to fulfill their fiduciary duties to their own investors while also ensuring BofA's financial strength, the two sources, a third with knowledge of the situation and a lawyer following the dispute said.

The letter dispatched by Patrick was signed by BlackRock, Freddie, Kore Advisors, the New York Fed (on behalf of the Maiden Lane funds), Metropolitan Life Insurance Company, Neuberger Berman Europe, PIMCO and Western Asset Management Company.

BlackRock holds an estimated USD 3.4bn of BofA equity, and BlackRock, PIMCO and fellow signatory Western Asset Management Co. maintain significant government ties through the Public-Private Investment Program (PPIP) funds they run.

Patrick denies allegations that the firms' pursuit was for show. "I don't know how anybody could look at the list of institutions that has previously been published ... and conclude that they were pursuing discussions in anything other than a good faith effort," she said.

Bank of America spokesperson Jerry Dubrowski said the bank is still in talks with the investor group. Representatives from Bank of New York and BlackRock declined to comment. A PIMCO representative did not return a request for comment.

Majority rule

The original bond investor group, organized through the Dallas, Texas-based RMBS Investors Clearing House, now encompasses a number of anonymous investors with holdings amounting to one-third of the USD 1.5 trillion RMBS market – including foreign banks representing USD 100bn in RMBS, said Greenwich Financial CEO Bill Frey, who belongs to the Clearing House and opposes the settlement.

Winning the conflict depends on which group can accumulate like-minded investors fast enough. When it comes to exercising contractual rights to oppose servicing practices or put back a bad mortgage to the originator, at least 25% of investors of a given mortgage pool must approve.

The faction led by PIMCO and BlackRock purport to have at least that much standing in USD 47bn of Countrywide mortgage bonds. The opposition, meanwhile, is gaining momentum by soliciting more foreign banks to join the movement, Frey said.

The settlement could be used as a roadmap for resolving similar buyback and servicing challenges pending against the nation's largest banks, the sources said.

Georgetown University professor Adam Levitin suggested US banks should come to a global settlement on mortgage issues in November testimony to Congress. This would involve restructuring bank balance sheets, special servicing and perfecting titles on securitized properties.

Last week, BofA announced it would separate its legacy asset servicing from the rest of its operations. Similarly, JPMorgan Chase, embroiled in buyback law suits involving its EMC and WaMu portfolios, recently told employees that its Chief Administrative Officer Frank Bisignano would be overseeing its servicing unit, according to an internal memo. "If they have a separate unit, they can put some money in it and hopefully get a court to say 'this is all fair and good,'" the first source said.

EXHIBIT E

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

WALNUT PLACE LLC; WALNUT PLACE II LLC; WALNUT PLACE III LLC; WALNUT PLACE IV LLC; WALNUT PLACE V LLC; WALNUT PLACE VI LLC; WALNUT PLACE VII LLC; WALNUT PLACE VIII LLC; WALNUT PLACE IX LLC; WALNUT PLACE X LLC; and WALNUT PLACE XI LLC, derivatively on behalf of Alternative Loan Trust 2006-OA10 and Alternative Loan Trust 2006-OA3,

Plaintiffs,

-against-

COUNTRYWIDE HOME LOANS, INC.; PARK GRANADA LLC; PARK MONACO INC; PARK SIENNA LLC; and BANK OF AMERICA CORPORATION,

Defendants,

-and-

THE BANK OF NEW YORK MELLON, in its capacity as Trustee of Alternative Loan Trust 2006-OA10 and Alternative Loan Trust 2006-OA3,

Nominal Defendant.

Index No. 650497/2011

AMENDED COMPLAINT

1. This is a derivative action for breaches of two Pooling and Servicing Agreements (PSA) under which defendant Countrywide Home Loans, Inc. and some of its affiliates sold residential mortgage loans to two securitization trusts. The trusts are Alternative Loan Trust 2006-OA10 (CWALT 2006-OA10) and Alternative Loan Trust 2006-OA3 (CWALT 2006-OA3). The trusts financed the purchase of loans by issuing certificates that were to be repaid,

with interest, from the cash flow generated by the mortgage loans. Plaintiffs are the holders of $108,084,000 original face amount of certificates in class 1-A-2 of CWALT 2006-OA10, $74,075,000 original face amount of certificates in class 2-A-1 of CWALT 2006-OA10, $10,100,000 original face amount of certificates in class 3-A-1 of CWALT 2006-OA10, $210,000,000 original face amount of certificates in class 4-A-1 of CWALT 2006-OA10 , $302,222,000 original face amount of certificates in class 4-A-2 of CWALT 2006-OA10, and $360,279,000 notional amount of certificates in class XNB of CWALT 2006-OA10. Plaintiffs are the holders of $45,000,000 original face amount of certificates in class 1-A-2 of CWALT 2006-OA3, $22,830,000 original face amount of certificates in class 2-A-1 of CWALT 2006-OA3, $25,746,000 original face amount of certificates in class 2-A-3 of CWALT 2006-OA3, $16,582,000 original face amount of certificates in class 2-A-3 of CWALT 2006-OA3, and $264,432,055 notional amount of certificates in class X of CWALT 2006-OA3. The Bank of New York Mellon is the Trustee of both of the trusts. In each PSA, Countrywide Home Loans made numerous representations and warranties about the mortgage loans. Countrywide Home Loans breached at least five of those representations and warranties in each PSA. For instance, for CWALT 2006-OA10, Countrywide Home Loans represented and warranted that no loan had a loan-to-value ratio of more than 95%, but, in fact, at least 413 mortgage loans had loan-to-value ratios of more than 95%; Countrywide Home Loans also represented that the mortgage loans were originated in accordance with its underwriting guidelines, but, in fact, at least 1,190 mortgage loans did not comply with the underwriting guidelines. For CWALT 2006-OA3, Countrywide Home Loans represented and warranted that no loan had a loan-to-value ratio of more than 95%, but, in fact, at least 196 mortgage loans had loan-to-value ratios of more than 95%; Countrywide Home Loans also represented that the mortgage loans were originated in

accordance with its underwriting guidelines, but, in fact, at least 457 mortgage loans did not comply with the underwriting guidelines. Each of these breaches of representations and warranties materially and adversely affected the interests of both the trust and Plaintiffs in those mortgage loans.

2. CWALT 2006-OA10 owned 6,531 mortgage loans as of June 30, 2006, the closing date of the PSA. Plaintiffs selected 2,166 of those 6,531 mortgage loans that were delinquent or on which the borrower had defaulted and investigated the true condition of those mortgage loans. The investigation showed that Countrywide Home Loans made false representations and warranties about at least 1,432 (or nearly 66%) of the 2,166 mortgage loans that Plaintiffs investigated. Plaintiffs are informed and believe that discovery will yield evidence that the defendants made similar misrepresentations and breached similar warranties about many of the 4,365 mortgage loans that Plaintiffs have not yet investigated.

3. CWALT 2006-OA3 owned 2,534 mortgage loans as of March 31, 2006, the closing date of the PSA. Plaintiffs selected 937 of those 2,534 mortgage loans that were delinquent or on which the borrower had defaulted and investigated the true condition of those mortgage loans. The investigation showed that Countrywide Home Loans made false representations and warranties about at least 536 (or 58%) of the 937 mortgage loans that Plaintiffs investigated. Plaintiffs are informed and believe that discovery will yield evidence that the defendants made similar misrepresentations and breached similar warranties about many of the 1,597 mortgage loans that Plaintiffs have not yet investigated.

4. Under each PSA, the defendants are required to repurchase each loan about which a representation and warranty by Countrywide Home Loans was untrue. On August 3, 2010, Plaintiffs informed the Trustee of the breaches of representations and warranties and demanded

that the defendants repurchase the loans in both trusts. On August 31, 2010, the Trustee sent the repurchase demands to the defendants. The defendants have refused to repurchase the loans despite having received the demands from the Trustee. Moreover, The Bank of New York Mellon, as Trustee, has unreasonably failed to sue the defendants to enforce their obligations to repurchase the loans. Plaintiffs are therefore suing derivatively on behalf of the trusts in order to compel the defendants to repurchase these loans.

PARTIES

5. Each of the Walnut Place entities is a limited liability company organized under the laws of Delaware. Each Walnut Place LLC owns an interest in certificates in CWALT 2006-OA10 with an original face amount of at least $10 million. Collectively, the Walnut Place LLCs own more than 25% of the Certificate Balances of all of the Certificates in CWALT 2006-OA10. Each Walnut Place LLC owns an interest in certificates in CWALT 2006-OA3 with an original face amount of at least $3.1 million. Collectively, the Walnut Place LLCs own more than 25% of the Certificate Balances of all of the Certificates in CWALT 2006-OA3. In this complaint, the Walnut Place LLCs and their predecessors in interest are referred to collectively as Plaintiffs.

6. Defendant Countrywide Home Loans, Inc. is a corporation organized under the laws of New York.

7. Defendant Park Granada LLC is a Delaware limited liability company. On information and belief, Park Granada is an affiliate of Countrywide Home Loans.

8. Defendant Park Monaco Inc. is a Delaware corporation. On information and belief, Park Monaco is an affiliate of Countrywide Home Loans.

9. Defendant Park Sienna LLC is a Delaware limited liability company. On information and belief, Park Sienna is an affiliate of Countrywide Home Loans.

10. Defendant Bank of America Corporation (referred to as **BAC**) is a corporation organized under the laws of Delaware and owns numerous subsidiaries, which will be referred to collectively as **Bank of America**. As alleged below, BAC is liable to Plaintiffs as the successor to Countrywide Home Loans, Park Granada, Park Monaco, and Park Sienna.

11. The nominal defendant, The Bank of New York Mellon, is a bank organized under the laws of New York. Plaintiffs have sued BNYM as a nominal defendant because BNYM is the Trustee of both of the trusts, and Plaintiffs are suing derivatively to enforce the rights of the trusts on behalf of themselves and all other certificateholders.

SECURITIZATION OF MORTGAGE LOANS

12. The certificates that Plaintiffs own are **mortgage-backed securities,** created in a process known as **securitization.** Securitization begins with loans (such as loans secured by mortgages on residential properties) on which the borrowers are obligated to make payments, usually monthly. The entity that makes the loans is known as the **originator** of the loans. The process by which the originator decides whether to make particular loans is known as the **underwriting** of loans. The purpose of underwriting is to ensure that loans are made only to borrowers of sufficient credit standing to repay them, and that the loans are made only against sufficient collateral. In the loan underwriting process, the originator applies its **underwriting standards.** Until the loans are securitized, the borrowers make their loan payments to the originators. Collectively, the payments on the loans are known as the **cash flow** from the loans.

13. In a securitization, a large number of loans, usually of a similar type, are grouped into a **collateral pool.** The originator of those loans sells them (and with them the right to receive the cash flow from them) to a special-purpose entity known as a **depositor**, which in turns sells the mortgage loans to a **trust.** The trust pays the originator cash for the loans. The trust raises the cash to pay for the loans by selling **bonds,** usually called **certificates,** to investors such as

Plaintiffs or their predecessors in interest. Each certificate entitles its holder to an agreed part of the cash flow from the loans in the collateral pool.

14. Because the cash flow from the loans in the collateral pool of a securitization is the source of funds to pay the holders of the certificates issued by the trust, the credit quality of those certificates is dependent upon the credit quality of the loans in the collateral pool. The most important information about the credit quality of those loans is contained in the files that the originator develops while making the loans, the so-called loan files. For residential mortgage loans, each loan file normally contains comprehensive information from such important documents as the borrower's application for the loan, credit reports on the borrower, and an appraisal of the property that will secure the loan. The loan file also includes notes from the person who underwrote the loan about whether and how the loan complied with the originator's underwriting standards, including documentation of any "compensating factors" that justified departure from those standards. To ensure that the credit quality of the loans in the collateral pool is as the parties agreed, the originator or other seller of the loans to the trust makes detailed **representations and warranties** about the loans, including many characteristics of the loans relevant to their credit quality, to the trustee for the benefit of the trust and purchasers of certificates from the trust.

ALLEGATIONS ABOUT CWALT 2006-OA10

I. The Pooling and Servicing Agreement

15. The Pooling and Servicing Agreement, or PSA, for CWALT 2006-OA10 was dated June 1, 2006. The closing date for the securitization was June 30, 2006. A true copy of the CWALT 2006-OA10 PSA is attached to this Complaint as Exhibit 1.

16. The Prospectus Supplement for CWALT 2006-OA10 as filed with the SEC was dated June 29, 2006. A true copy of the CWALT 2006-OA10 Prospectus Supplement is attached to this Complaint as Exhibit 2.

17. Defendant Countrywide Home Loans was the originator of the loans in CWALT 2006-OA10. Defendants Park Monaco, Park Granada, and Park Sienna are affiliates of Countrywide Home Loans that owned loans that Countrywide Home Loans had originated. Countrywide Home Loans and these affiliates sold loans to CWALT, Inc., the depositor of CWALT 2006-OA10, and CWALT, Inc. then sold the loans to CWALT 2006-OA10. In Schedule III-A of the CWALT 2006-OA10 PSA, Countrywide Home Loans made many representations and warranties about the loans.

18. In Schedule III-A, Countrywide Home Loans represented and warranted that the "information set forth on Schedule I to the Pooling and Servicing Agreement with respect to each Mortgage Loan is true and correct in all material respects as of the Closing Date." CWALT 2006-OA10 PSA § 2.03 & Schedule III-A (1). Schedule I to the CWALT 2006-OA10 PSA describes, among other things, the loan-to-value ratio at origination of the loan.

19. Countrywide Home Loans also represented and warranted that "[n]o Mortgage Loan had a Loan-to-Value Ratio at origination in excess of 95.00%." CWALT 2006-OA10 PSA § 2.03 & Schedule III-A (3).

20. Countrywide Home Loans also represented and warranted that "[a]ll of the Mortgage Loans were underwritten in all material respects in accordance with Countrywide's underwriting guidelines as set forth in the Prospectus Supplement." CWALT 2006-OA10 PSA § 2.03 & Schedule III-A (37).

21. Countrywide Home Loans also represented and warranted that (except with respect to some loans originated under its Streamlined Documentation program) "prior to the approval of the Mortgage Loan application, an appraisal of the related Mortgaged Property was obtained from a qualified appraiser, duly appointed by the originator, who had no interest, direct or indirect, in the Mortgaged Property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of the Mortgage Loan; such appraisal is in a form acceptable to FNMA and FHLMC." CWALT 2006-OA10 PSA § 2.03 & Schedule III-A (38).

22. Countrywide Home Loans also represented and warranted that the "Mortgage Loans, individually and in the aggregate, conform in all material respects to the descriptions thereof in the Prospectus Supplement." CWALT 2006-OA10 PSA § 2.03 & Schedule III-A (44). The CWALT 2006-OA10 prospectus supplement contains tables that described the LTVs and the occupancy status of the mortgage loans as of the cut-off date.

II. Evidence of Breaches Based on Plaintiffs' Investigation

23. Because the mortgage loans in CWALT 2006-OA10 have experienced a high number of defaults, Plaintiffs conducted an investigation to determine whether the loans were accurately described when they were sold to CWALT 2006-OA10. This investigation demonstrated that many of the loans breached one or more of the five representations and warranties described above.

A. Breach of Schedule III-A (1)

24. In Schedule III-A, Countrywide Home Loans represented and warranted that the "information set forth on Schedule I to the Pooling and Servicing Agreement with respect to each Mortgage Loan is true and correct in all material respects as of the Closing Date." CWALT

2006-OA10 PSA § 2.03 & Schedule III-A (1). Schedule I to the CWALT 2006-OA10 PSA describes, among other things, the loan-to-value ratio, or LTV, at origination of the loan.

25. LTV is the ratio of the amount of money borrowed by the borrower to the value of the property mortgaged to provide security to the lender. For example, if a borrower borrowed $300,000 and gave a mortgage on property valued at $500,000, then the LTV would be 60%.

26. LTV is one of the most crucial measures of the risk of a mortgage loan. LTV is a primary determinant of the likelihood of default. The lower the LTV, the lower the likelihood of default. For example, the lower the LTV, the less likely it is that a decline in the value of the property will wipe out the owner's equity, and thereby give the owner an incentive to stop making mortgage payments and abandon the property, a so-called strategic default. LTV also determines the severity of losses for those loans that do default. The lower the LTV, the lower the severity of losses on those loans that do default. Loans with lower LTVs provide greater "cushion," thereby increasing the likelihood that the proceeds of foreclosure will cover the unpaid balance of the mortgage loan.

27. For each of these reasons, an LTV that is reported as lower than its true value materially and adversely affects the interests of both CWALT 2006-OA10 and the Certificateholders in that mortgage loan.

28. An accurate denominator (that is, the value of the property) is essential to an accurate LTV. In particular, if the denominator is too high, then the risk of the loan will be understated, sometimes greatly understated. To use the example in paragraph 25, if the property's actual value is $500,000, but it is incorrectly valued at $550,000, then the ostensible LTV of the loan would be 54.5%, not 60%, and thus the loan appears less risky than it actually is.

29. Plaintiffs' investigation showed that the true values of the properties that secured the loans in CWALT 2006-OA10 were inaccurate by using an automated valuation model, or AVM, and by looking at subsequent sales of properties that were included in CWALT 2006-OA10.

1. Automated Valuation Model

30. Using a comprehensive, industry-standard AVM, Plaintiffs determined the true market value of many of the properties that secured loans in CWALT 2006-OA10, as of the origination date of each loan. An AVM considers objective criteria like the condition of the property and the actual sale prices of comparable properties in the same locale shortly before the specified date and is more consistent, independent, and objective than other methods of appraisal. AVMs have been in widespread use for many years. The AVM used by Plaintiffs incorporates a database of 500 million sales covering zip codes that represent more than 97% of the homes, occupied by more than 99% of the population, in the United States. Independent testing services have determined that this AVM is the most accurate of all such models.

31. There was sufficient information to determine the value of 1,574 of the properties that secured loans, and thereby to calculate the correct LTV of each of those loans, as of the date on which each loan was made. On 1,134 of those 1,574 properties, the AVM reported that the appraised value in Schedule I of the CWALT 2006-OA10 PSA was 105% or more of the true market value as determined by the model, and the amount by which the stated values of those properties exceeded their true market values in the aggregate was $119,440,958. The AVM reported that the appraised value in Schedule I of the CWALT 2006-OA10 PSA was 95% or less of the true market value on only 101 properties, and the amount by which the true market values of those properties exceeded the reported values was $9,368,841. Thus, the number of properties on which the value was overstated exceeded by more than 11 times the number on which the

value was understated, and the aggregate amount overstated was nearly 13 times the aggregate amount understated. Details of the AVM results for each loan on which the appraised value was more than 105% of the value determined by the model are given in Table 1 of Exhibit 3.

2. Subsequent Sales of Refinanced Properties

32. Some of the loans in CWALT 2006-OA10 were taken out to refinance existing mortgages, rather than to purchase properties. For those loans, the value of the property was based solely on the appraised value rather than a sale price because there is no sale price in a refinancing. Of the loans secured by refinanced properties that Plaintiffs investigated, 151 sold for much less than the appraised value of the property reported in the Schedule, even when adjusted for declines in the housing price index, resulting in a loss to CWALT 2006-OA10. Details of this analysis are given in Table 2 of Exhibit 3.

*

33. With respect to 1,134 mortgage loans, the reported appraised value of the property was significantly higher than the actual value of the property, as shown by the AVM. Because the appraised value is used as the denominator in the LTV, this evidence shows that the reported LTV in Schedule I of the CWALT 2006-OA10 PSA was materially incorrect for these 1,134 mortgage loans. With respect to 151 refinanced mortgage loans, the subsequent sale information for these loans also shows that the reported appraised value of the property was incorrect. These 151 mortgage loans also had incorrect LTVs. Eliminating duplicates, 1,190 mortgage loans had incorrect LTVs.

34. Each of these differences is material and is a breach of the warranty in Schedule III-A (1) that the "information set forth on Schedule I to the Pooling and Servicing Agreement with respect to each Mortgage Loan is true and correct in all material respects as of the Closing Date."

B. Breach of Schedule III-A (3)

35. Countrywide Home Loans represented and warranted that "[n]o Mortgage Loan had a Loan-to-Value Ratio at origination in excess of 95.00%." CWALT 2006-OA10 PSA § 2.03 & Schedule III-A (3).

36. For many of the mortgage loans, the value determined by the AVM was significantly lower than the actual value of the property, so the actual LTV was higher than the reported LTV because the denominator used to calculate the reported LTV was higher than the true denominator. For 413 mortgage loans, using the true value of the property as determined by the AVM, the actual LTV was more than 95%.

37. Each mortgage loan with an actual LTV of more than 95% breached Schedule III-A (3).

C. Breach of Schedule III-A (37) & (38)

38. Countrywide Home Loans represented and warranted that "[a]ll of the Mortgage Loans were underwritten in all material respects in accordance with Countrywide's underwriting guidelines as set forth in the Prospectus Supplement." CWALT 2006-OA10 PSA § 2.03 & Schedule III-A (37).

39. Countrywide Home Loans also represented and warranted that (except with respect to some loans originated under its Streamlined Documentation program) "prior to the approval of the Mortgage Loan application, an appraisal of the related Mortgaged Property was obtained from a qualified appraiser, duly appointed by the originator, who had no interest, direct or indirect, in the Mortgaged Property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of the Mortgage Loan; such appraisal is in a form acceptable to FNMA and FHLMC." CWALT 2006-OA10 PSA § 2.03 & Schedule III-A (38).

40. Originators of mortgage loans have written standards for the underwriting of loans. An important purpose of underwriting is to ensure that the originator makes mortgage loans only in compliance with those standards and that its underwriting decisions are properly documented. An even more fundamental purpose of underwriting mortgage loans is to ensure that loans are made only to borrowers with credit standing and financial resources sufficient to repay the loans and only against collateral with value, condition, and marketability sufficient to secure the loans.

41. An originator's underwriting standards, and the extent to which the originator departs from its standards, are important indicators of the risk of mortgage loans made by that originator and of certificates sold in a securitization in which mortgage loans made by that originator are part of the collateral pool. A representation that a mortgage loan was originated in accordance with the originator's underwriting standards when the loan was not originated in accordance with those standards materially and adversely affects the interests of both CWALT 2006-OA10 and the Certificateholders in that mortgage loan.

42. Underwriting guidelines usually contain requirements that the property that secures the loan be appraised by an independent appraiser. A representation that a loan was secured by a property appraised by an independent appraiser when the loan was secured by a property appraised by an appraiser who was not independent materially and adversely affects the interests of both CWALT 2006-OA10 and the Certificateholders in that mortgage loan.

43. The mortgage loans were originated by Countrywide Home Loans. Countrywide Home Loans' underwriting requirements stated that, except with respect to some mortgage loans originated pursuant to its Streamlined Documentation Program, "Countrywide Home Loans obtains appraisals from independent appraisers or appraisal services for properties that are to

secure mortgage loans. . . . All appraisals are required to conform to Fannie Mae or Freddie Mac appraisal standards then in effect." Pros. Sup. S-89. Fannie Mae and Freddie Mac appraisal standards require that appraisals be independent, unbiased, and not contingent on a predetermined result. Many of the appraisals, however, were conducted by appraisers who were not independent, and so did not comply with Fannie and Freddie standards.

1. Appraisals were not conducted by independent appraisers.

44. As reported in the 2007 National Appraisal Survey conducted by October Research, around the time of this securitization, brokers and loan officers pressured appraisers by threatening to withhold future assignments if an appraised value was not high enough to enable the transaction to close and sometimes by refusing to pay for completed appraisals that were not high enough. This pressure came in many forms, including the following:

- the withholding of business if the appraisers refused to inflate values;
- the withholding of business if the appraisers refused to guarantee a predetermined value;
- the withholding of business if the appraisers refused to ignore deficiencies in the property;
- the refusal to pay for an appraisal that did not give the brokers and loans officers the property values that they wanted; and
- the black listing of honest appraisers in order to use "rubber stamp" appraisers.

45. Appraisals made under pressure of this kind are breaches of Schedule III-A (37) because such appraisals do not conform to the underwriting requirements of the originator, which require independent, unbiased appraisals that are not contingent on a predetermined result.

46. Appraisals made under pressure of this kind are breaches of Schedule III-A (38) because such appraisals are not independent, unbiased appraisals and do not conform to Fannie Mae and Freddie Mac appraisal standards.

47. As described above, the number of properties on which the value was overstated was more than 11 times the number on which the value was understated, and the aggregate amount overstated was nearly 13 times the aggregate amount understated. This lopsided result demonstrates the upward bias in appraisals of properties that secured the mortgage loans in CWALT 2006-OA10.

48. For the 1,134 mortgage loans where the AVM reported a value significantly lower than the reported appraised value and the 151 mortgage loans where the subsequent sale prices show that the initial appraisal was too high, there is strong evidence that the appraisal was biased because the appraisers were not independent. Each such loan breached the representations and warranties in Schedule III-A (37) and (38).

2. Early Payment Defaults

49. When a loan becomes 60 or more days delinquent within six months after it was made it is called an early payment default. An EPD is strong evidence that the loan did not conform to the underwriting standards in making the loan, often by failing to detect fraud in the application. Underwriting standards are intended to ensure that loans are made only to borrowers who can and will make their mortgage payments. Because an EPD occurs so soon after the mortgage loan was made, it is much more likely that the default occurred because the borrower could not afford the payments in the first place (and thus that the underwriting standards were not followed), than because of changed external circumstances unrelated to the underwriting of the mortgage loan (such as that the borrower lost his or her job). Twenty-eight loans in the collateral pool of this securitization experienced EPDs. These 28 loans are identified in Table 3 of Exhibit 3.

50. Eliminating duplicates, 1,190 loans did not comply with the stated underwriting guidelines.

3. Additional evidence of undisclosed departures from underwriting standards.

51. In addition to the evidence from the subset of loans that Plaintiffs have investigated, cited above, there is strong evidence from governmental investigations that Countrywide Home Loans made extensive, undisclosed departures from its stated underwriting standards.

52. The Securities and Exchange Commission conducted an extensive investigation of the lending practices of Countrywide. Based on the findings of its investigation, the SEC sued three former senior officers of Countrywide. In its complaint, the SEC alleged that these three senior officers committed securities fraud by hiding from investors "the high percentage of loans [Countrywide] originated that were outside its already widened underwriting guidelines due to loans made as exceptions to guidelines."

53. A pay-option adjustable-rate mortgage loan (also called an Option ARM) is a mortgage loan where the borrower has the option to make one of three payments, a minimum payment that increases the amount of principal the borrower owns on the mortgage (called negative amortization), an interest-only payment that neither increases or decreases the principal the borrower owns on the mortgage, or a full payment that decreases the amount the borrower owes on the mortgage. At a certain point in the life of an Option ARM, a "reset" occurs and the borrower must always pay the full payment. All of the mortgage loans in this securitization were Option ARMs. At an investor conference in September 2006, Countrywide stated that its underwriting guidelines required that a borrower be able to afford the full payment on the Option ARM.

54. Among the evidence for the SEC's allegations is a memorandum dated December 13, 2007, in which the enterprise risk assessment officer at Countrywide stated that "borrower

repayment capacity was not adequately assessed by the bank during the underwriting process for home equity mortgage loans. More specifically, debt-to-income (DTI) ratios did not consider the impact of principal [negative] amortization or an increase in interest [due to a payment reset]."

55. The SEC also based its allegations on an email dated April 4, 2006, in which Countrywide's Chairman and CEO Angelo Mozilo wrote that for Option ARMs "it appears that it is just a matter of time that we will be faced with much higher resets and therefore much higher delinquencies."

56. The SEC also based its allegations on an email dated June 1, 2007, in which Mozilo wrote that borrowers of Option ARMs "are going to experience a payment shock which is going to be difficult if not impossible for them to manage." The SEC also based its allegations on an email from November 3, 2007, where Mozilo recognized that Countrywide was unable "to properly underwrite" Option ARMs.

57. These facts indicate that Countrywide did not, in fact, underwrite Option ARMs so that borrowers could afford the full payment.

58. The Attorneys General of many states also investigated Countrywide's lending practices. Among these, the Attorney General of California found, and alleged in a suit against Countrywide, that Countrywide "viewed borrowers as nothing more than the means for producing more loans, originating loans with little or no regard to borrowers' long-term ability to afford them." The Attorneys General of several other states also reached the same conclusion.

- The Attorney General of Washington alleged that "[t]o increase market share, [Countrywide] dispensed with many standard underwriting guidelines . . . to place unqualified borrowers in loans which ultimately they could not afford."

- The Attorney General of Illinois alleged in a suit against Countrywide that Countrywide was "indifferen[t] to whether homeowners could afford its loans."

- The Attorney General of West Virginia alleged that "Countrywide sold West Virginia consumers loans when there was no reasonable probability of the consumers being able to pay the loan in full."

59. Countrywide did not adhere to its own underwriting standards, but instead abandoned or ignored them. According to internal Countrywide documents recently made public by the SEC, Mozilo admitted that loans "had been originated 'through our channels with disregard for process [and] compliance with guidelines.'" Similarly, the Attorney General of California alleged that "Countrywide did whatever it took to sell more loans, faster – including by . . . disregarding the minimal underwriting criteria it claimed to require."

60. Countrywide made exceptions to its underwriting standards where no compensating factors existed, resulting in higher rates of default. According to the SEC in its action against former officers of Countrywide:

> [T]he actual underwriting of exceptions was severely compromised. According to Countrywide's official underwriting guidelines, exceptions were only proper where "compensating factors" were identified which offset the risks caused by the loan being outside of guidelines. In practice, however, **Countrywide used as "compensating factors" variables such as FICO and loan to value, which had already been assessed [in determining the loan to be outside of guidelines].**

(Emphasis in original.) Such "compensating factors" did not actually compensate for anything and did not "offset" any risk.

61. Finally, Countrywide did not apply its underwriting standards in accordance with all federal, state, and local laws. Countrywide has entered into agreements to settle charges of violation of predatory lending, unfair competition, false advertising, and banking laws with the Attorneys General of at least 39 states, including Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Iowa, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Maine, Michigan, Mississippi, Montana, Nebraska, Nevada, New Jersey,

New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. The Attorneys General of these states alleged that Countrywide violated state predatory lending laws by (i) making loans it could not have reasonably expected borrowers to be able to repay; (ii) using high pressure sales and advertising tactics designed to steer borrowers towards high-risk loans; and (iii) failing to disclose to borrowers important information about the loans, including the costs and difficulties of refinancing, the availability of lower cost products, the existence and nature of prepayment penalties, and that advertised low interest rates were merely "teaser" rates that would adjust upwards dramatically as soon as one month after closing.

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62. This additional evidence shows that many of the loans already identified did not conform to Countrywide's underwriting standards, and that many more of the 6,531 loans in CWALT 2006-OA10 did not conform to Countrywide's underwriting standards.

D. Breach of Schedule III-A (44)

63. Countrywide represented and warranted that the "Mortgage Loans, individually and in the aggregate, conform in all material respects to the descriptions thereof in the Prospectus Supplement." CWALT 2006-OA10 PSA § 2.03 & Schedule III-A (44). The CWALT 2006-OA10 prospectus supplement contains tables that described the LTVs and the occupancy status of the mortgage loans as of the cut-off date. These tables were incorrect because the LTVs of the mortgage loans and the occupancy status of the mortgage loans were incorrect.

1. LTVs

64. With respect to the same 1,180 mortgage loans described above, the LTVs were incorrect. Each mortgage loan that had an incorrect LTV was a breach of Schedule III-A (44).

2. Occupancy Status

65. Residential real estate is usually divided into primary residences, second homes, and investment properties. Mortgages on primary residences are less likely to default than mortgages on non-owner-occupied residences and are therefore less risky.

66. Occupancy status (that is, whether the property that secures the mortgage is to be the primary residence of the borrower, a second home, or an investment property) is an important factor in determining the risk of a mortgage loan. The percentage of loans in the collateral pool of a securitization that are not secured by mortgages on primary residences is an important measure of the risk of certificates sold in that securitization. Other things being equal, the higher the percentage of loans not secured by primary residences, the greater the risk of the certificates. A representation that the property that secured a mortgage loan was owner occupied when the property was actually not owner occupied materially and adversely affects the interests of both CWALT 2006-OA10 and the Certificateholders in that mortgage loan.

67. In some states and counties, owners of a property are able to designate whether that property is his or her "homestead," which may reduce the taxes on that property or exempt the property from assets available to satisfy the owner's creditors, or both. An owner may designate only one property, which he or she must occupy, as his or her homestead. Sixteen loans in CWALT 2006-OA10 that were reported to be owner occupied in Schedule I of the PSA were not actually owner occupied because the borrower designated another property as his or her homestead. These 16 loans are identified in Table 4 of Exhibit 3.

68. The fact that an owner in one of these jurisdictions does not designate a property as his or her homestead when he or she can do so is strong evidence that the property was not his or her primary residence. With respect to 468 of the properties that were stated in Schedule I of

the PSA to be owner occupied, the owner could have but did not designate the property as his or her homestead. These 468 loans are identified in Table 4 of Exhibit 3.

69. For 195 properties that secured the mortgage loans, the borrower instructed local tax authorities to send the bills for the taxes on the property to the borrower at an address other than the property itself, even though the property was reported to be owner occupied in the Schedule. Such an instruction is strong evidence that the borrower did not live in the mortgaged property or consider it to be his or her primary residence. These 195 loans are identified in Table 4 of Exhibit 3.

70. With respect to 532 mortgage loans, the occupancy status of the property as reflected in the prospectus supplement was incorrect. With respect to 16 mortgage loans that were represented to be owner occupied, the borrower actually designated a different property as his or her homestead. With respect to 468 mortgage loans, the borrower could have designated the property as his or her homestead but did not. With respect to 195 mortgage loans that were represented to be owner occupied, the borrower instructed local tax authorities to send the bills for the taxes on the property to the borrower at an address other than the property itself. Each of these criteria indicates that the property was not actually owner occupied.

71. Each incorrect occupancy status was a breach of Schedule III-A (44).

III. Examples of Noncompliant Loans

72. By way of illustration, and without limitation, the following paragraphs highlight particular loans that Plaintiffs' investigation showed did not comply with the representations and warranties that Countrywide Home Loans made about them.

73. Loan number 119478315: This loan for $544,000 was secured by a property that had a reported appraised value of $680,000. The AVM determined that the true value of the property was $569,000. Thus the reported LTV was 80%, but the true LTV was 95.6%. This loan

defaulted five months after it was originated. This loan therefore breached the following representations and warranties: Schedule III-A (1), (3), (37), (38), and (44).

74. Loan number 119837840: This loan for $1,331,250 was secured by a property that had a reported appraised value of $1,775,000. The AVM determined that the true value of the property was $975,999. Thus the reported LTV was 75%, but the true LTV was 136.5%. The property that secured this loan was represented to be owner occupied, but in fact, another property owned by the same owner was designated as a homestead and the property tax bills were sent to another address. This loan therefore breached the following representations and warranties: Schedule III-A (1), (3), (37), (38), and (44).

75. Loan number 136202091: This loan for $523,500 was secured by a property that had a reported appraised value of $698,000. The AVM determined that the true value of the property was $462,000. Thus the reported LTV was 75%, but the true LTV was 113.3%. After the loan was securitized, the property was sold for only $375,000, even though housing prices in the area the property was located rose by 3% between the date of origination of the loan and the sale. This loan therefore breached the following representations and warranties: Schedule III-A (1), (3), (37), (38), and (44).

76. A list of each of the loans that the investigation uncovered that breached the representations and warranties is attached as in Exhibit 4.

77. Based on the 1,432 loans that breached the representations and warranties and on the publically available information described in paragraphs 52 through 61, Plaintiffs are informed and believe that many more loans breached the representations and warranties.

IV. Countrywide Has Refused to Repurchase the Loans.

78. Under section 2.03(c) of the CWALT 2006-OA10 Pooling and Servicing Agreement, each Countrywide defendant agreed that

> within 90 days of the earlier of its discovery or its receipt of written notice from any party of a breach of any representation or warranty with respect to a Mortgage Loan sold by it pursuant to Section 2.03(a) that materially and adversely affects the interests of the Certificateholders in that Mortgage Loan, it shall cure such breach in all material respects, and if such breach is not so cured, shall . . . repurchase the affected Mortgage Loan or Mortgage Loans from the Trustee at the Purchase Price. . . .

79. By letter dated August 3, 2010, Plaintiffs, through their attorneys, sent a letter to BNYM informing it of the breaches of representations and warranties that are described in paragraphs 18 through 22 above. This letter included an appendix that identified all loans identified in Exhibit 4. The letter from Plaintiffs dated August 3, 2010, without its appendices, is attached as Exhibit 5.

80. By letter dated August 31, 2010, BNYM sent the written notice of breaches of representations and warranties to the defendants and others. Thus, on August 31, 2010, or shortly thereafter, the Countrywide defendants received written notice from the Trustee of Countrywide's breaches of representations and warranties with respect to the mortgage loans.

81. Each Countrywide defendant is thus obligated to repurchase the loans it sold identified in Exhibit 4 that breached the representations and warranties that Countrywide made in the PSA.

82. The ninety-day period prescribed under Section 2.03(c) of the CWALT 2006-OA10 PSA expired on November 29, 2010.

83. The Countrywide defendants have not cured the breaches of representations and warranties or repurchased any of the affected mortgage loans from CWALT 2006-OA10.

V. Plaintiffs May Sue to Enforce the CWALT 2006-OA10 PSA.

84. Under the CWALT 2006-OA10 PSA, certificateholders may file a lawsuit if they meet the requirements of the limitation of suits provision. That provision states that certificateholders representing at least 25% of the Voting Rights of Certificates in CWALT

2006-OA10 must request that the Trustee sue and offer to indemnify the Trustee for the costs, expenses, and liability it incurs in connection with suing. A certificateholder may sue if the Trustee does not file suit within 60 days after receiving the request to sue and the indemnity.

85. On December 23, 2010, certificateholders of more than 25% of the Voting Rights of Certificates in CWALT 2006-OA10, including Plaintiffs, made a written request to the Trustee to sue the defendants for breach of their obligations under Section 2.03(c) of the CWALT 2006-OA10 PSA and offered to indemnify the Trustee from loss, including attorneys fees and other expenses of litigation, that may be incurred by the Trustee as a result of following the direction of the certificateholders. This written request is attached as Exhibit 6.

86. More than 60 days have elapsed since Plaintiffs and the other certificateholder sent a written request directing BNYM to file a lawsuit. BNYM has not filed a lawsuit.

87. On February 18, 2011, BNYM, through its attorneys, sent a letter informing Plaintiffs that it did not intend to sue within 60 days of receiving the demand letter dated December 23, 2010. BNYM stated that it "need[ed] additional time to evaluate this matter." BNYM refused to commit to any date certain by which it would complete its evaluation.

88. More than six weeks later, BNYM again declined to file suit in response to a virtually identical demand that Plaintiffs made on CWALT 2006-OA3, which is described in detail below. In particular, on April 5, 2011, Plaintiffs received a substantially identical letter from BNYM, and BNYM again stated that it needed additional time to evaluate the matter and again did not commit to a date certain by which it would be able to make a decision.

89. Plaintiffs have satisfied the requirements of the limitation of suits provision of the PSA and are entitled to sue to enforce breaches of the CWALT 2006-OA10 PSA.

90. The PSA authorizes the Trustee to enforce breaches of representations and warranties for the benefit of CWALT 2006-OA10.

91. BNYM's refusal to bring a lawsuit was unreasonable because Plaintiffs' investigation has produced specific evidence that gives rise to a strong inference that Countrywide breached its representations and warranties on the 1,432 loans that are the subject of this lawsuit and the other loans in CWALT 2006-OA10. BNYM's request for additional time to evaluate Plaintiff's direction was also unreasonable because BNYM refused to provide a date certain by which it would complete its evaluation and because BNYM had more than six months to evaluate whether to file suit based on the evidence of breaches of representations and warranties that Plaintiffs have identified.

92. Because BNYM has unreasonably refused to bring a lawsuit, Plaintiffs bring this action derivatively, in the right and for the benefit of the Certificateholders of CWALT 2006-OA10, to redress the defendants' breach of contract.

93. Plaintiffs are Certificateholders. Plaintiffs will fairly and adequately represent the interests of CWALT 2006-OA10 and the Certificateholders of CWALT 2006-OA10 in enforcing and prosecuting their rights, and have retained competent counsel experienced in this type of litigation to prosecute this action.

ALLEGATIONS ABOUT CWALT 2006-OA3

I. The Pooling and Servicing Agreement

94. The PSA for CWALT 2006-OA3 was dated March 1, 2006. The closing date for the securitization was March 31, 2006. A true copy of the CWALT 2006-OA3 PSA is attached to this Complaint as Exhibit 7.

95. The Prospectus Supplement for CWALT 2006-OA3 as filed with the SEC was dated March 27, 2006. A true copy of the CWALT 2006-OA3 Prospectus Supplement is attached to this Complaint as Exhibit 8.

96. Defendant Countrywide Home Loans was the originator of the loans in CWALT 2006-OA3. Defendants Park Monaco, Park Granada, and Park Sienna are affiliates of Countrywide Home Loans that owned loans that Countrywide Home Loans had originated. Countrywide Home Loans and these affiliates sold loans to CWALT, Inc., the depositor of CWALT 2006-OA3, and CWALT, Inc. then sold the loans to CWALT 2006-OA3. In Schedule III-A of the CWALT 2006-OA3 PSA, Countrywide Home Loans made many representations and warranties about the loans.

97. In Schedule III-A, Countrywide Home Loans represented and warranted that the "information set forth on Schedule I to the Pooling and Servicing Agreement with respect to each Mortgage Loan is true and correct in all material respects as of the Closing Date." CWALT 2006-OA3 PSA § 2.03 & Schedule III-A (1). Schedule I to the CWALT 2006-OA3 PSA describes, among other things, the loan-to-value ratio at origination of the loan.

98. Countrywide Home Loans also represented and warranted that "[n]o Mortgage Loan had a Loan-to-Value Ratio at origination in excess of 95.00%." CWALT 2006-OA3 PSA § 2.03 & Schedule III-A (3).

99. Countrywide Home Loans also represented and warranted that "[a]ll of the Mortgage Loans were underwritten in all material respects in accordance with Countrywide's underwriting guidelines as set forth in the Prospectus Supplement." CWALT 2006-OA3 PSA § 2.03 & Schedule III-A (37).

100. Countrywide Home Loans also represented and warranted that (except with respect to some loans originated under its Streamlined Documentation program) "prior to the approval of the Mortgage Loan application, an appraisal of the related Mortgaged Property was obtained from a qualified appraiser, duly appointed by the originator, who had no interest, direct or indirect, in the Mortgaged Property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of the Mortgage Loan; such appraisal is in a form acceptable to FNMA and FHLMC." CWALT 2006-OA3 PSA § 2.03 & Schedule III-A (38).

101. Countrywide Home Loans also represented and warranted that the "Mortgage Loans, individually and in the aggregate, conform in all material respects to the descriptions thereof in the Prospectus Supplement." CWALT 2006-OA3 PSA § 2.03 & Schedule III-A (44). The CWALT 2006-OA3 prospectus supplement contains tables that described the LTVs and the occupancy status of the mortgage loans as of the cut-off date.

II. Evidence of Breaches Based on Plaintiffs' Investigation

102. Because the mortgage loans in CWALT 2006-OA3 have experienced a high number of defaults, Plaintiffs conducted an investigation to determine whether the loans were accurately described when they were sold to CWALT 2006-OA3. This investigation demonstrated that many of the loans breached one or more of the five representations and warranties described above.

A. Breach of Schedule III-A (1)

103. In Schedule III-A, Countrywide Home Loans represented and warranted that the "information set forth on Schedule I to the Pooling and Servicing Agreement with respect to each Mortgage Loan is true and correct in all material respects as of the Closing Date." CWALT

2006-OA3 PSA § 2.03 & Schedule III-A (1). Schedule I to the CWALT 2006-OA3 PSA describes, among other things, the loan-to-value ratio, or LTV, at origination of the loan.

104. For each of the reasons listed in paragraphs 25 and 26, an LTV that is reported as lower than its true value materially and adversely affects the interests of both CWALT 2006-OA3 and the Certificateholders in that mortgage loan.

105. Plaintiffs' investigation showed that the true values of the properties that secured the loans in CWALT 2006-OA3 were inaccurate by using an automated valuation model, or AVM, and by looking at subsequent sales of properties that were included in CWALT 2006-OA3.

1. Automated Valuation Model

106. Using a comprehensive, industry-standard AVM, Plaintiffs determined the true market value of many of the properties that secured loans in CWALT 2006-OA3, as of the origination date of each loan.

107. There was sufficient information to determine the value of 633 of the properties that secured loans, and thereby to calculate the correct LTV of each of those loans, as of the date on which each loan was made. On 448 of those 633 properties, the AVM reported that the appraised value in Schedule I of the CWALT 2006-OA3 PSA was 105% or more of the true market value as determined by the model, and the amount by which the stated values of those properties exceeded their true market values in the aggregate was $31,840,702. The AVM reported that the appraised value in Schedule I of the CWALT 2006-OA3 PSA was 95% or less of the true market value on only 40 properties, and the amount by which the true market values of those properties exceeded the reported values was $2,221,500. Thus, the number of properties on which the value was overstated exceeded by more than 10 times the number on which the value was understated, and the aggregate amount overstated was nearly 15 times the aggregate

amount understated. Details of the AVM results for each loan on which the appraised value was more than 105% of the value determined by the model are given in Table 1 of Exhibit 9.

2. Subsequent Sales of Refinanced Properties

108. Some of the loans in CWALT 2006-OA3 were taken out to refinance existing mortgages, rather than to purchase properties. For those loans, the value of the property was based solely on the appraised value rather than a sale price because there is no sale price in a refinancing. Of the loans secured by refinanced properties that Plaintiffs investigated, 20 sold for much less than the appraised value of the property reported in the Schedule, even when adjusted for declines in the housing price index, resulting in a loss to CWALT 2006-OA3. Details of this analysis are given in Table 2 of Exhibit 9.

*

109. With respect to 448 mortgage loans, the reported appraised value of the property was significantly higher than the actual value of the property, as shown by the AVM. Because the appraised value is used as the denominator in the LTV, this evidence shows that the reported LTV in Schedule I of the CWALT 2006-OA3 PSA was materially incorrect for these 448 mortgage loans. With respect to 20 refinanced mortgage loans, the subsequent sale information for these loans also shows that the reported appraised value of the property was incorrect. These 20 mortgage loans also had incorrect LTVs. Eliminating duplicates, 457 mortgage loans had incorrect LTVs.

110. Each of these differences is material and is a breach of the warranty in Schedule III-A (1) that the "information set forth on Schedule I to the Pooling and Servicing Agreement with respect to each Mortgage Loan is true and correct in all material respects as of the Closing Date."

B. Breach of Schedule III-A (3)

111. Countrywide Home Loans represented and warranted that "[n]o Mortgage Loan had a Loan-to-Value Ratio at origination in excess of 95.00%." CWALT 2006-OA3 PSA § 2.03 & Schedule III-A (3).

112. For many of the mortgage loans, the value determined by the AVM was significantly lower than the actual value of the property, so the actual LTV was higher than the reported LTV because the denominator used to calculate the reported LTV was higher than the true denominator. For 196 mortgage loans, using the true value of the property as determined by the AVM, the actual LTV was more than 95%.

113. Each mortgage loan with an actual LTV of more than 95% breached Schedule III-A (3).

C. Breach of Schedule III-A (37) & (38)

114. Countrywide Home Loans represented and warranted that "[a]ll of the Mortgage Loans were underwritten in all material respects in accordance with Countrywide's underwriting guidelines as set forth in the Prospectus Supplement." CWALT 2006-OA3 PSA § 2.03 & Schedule III-A (37).

115. Countrywide Home Loans also represented and warranted that (except with respect to some loans originated under its Streamlined Documentation program) "prior to the approval of the Mortgage Loan application, an appraisal of the related Mortgaged Property was obtained from a qualified appraiser, duly appointed by the originator, who had no interest, direct or indirect, in the Mortgaged Property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of the Mortgage Loan; such appraisal is in a form acceptable to FNMA and FHLMC." CWALT 2006-OA3 PSA § 2.03 & Schedule III-A (38).

116. A representation that a mortgage loan was originated in accordance with the originator's underwriting standards when the loan was not originated in accordance with those standards materially and adversely affects the interests of both CWALT 2006-OA3 and the Certificateholders in that mortgage loan.

117. Underwriting guidelines usually contain requirements that the property that secures the loan be appraised by an independent appraiser. A representation that a loan was secured by a property appraised by an independent appraiser when the loan was secured by a property appraised by an appraiser who was not independent materially and adversely affects the interests of both CWALT 2006-OA3 and the Certificateholders in that mortgage loan.

118. The mortgage loans were originated by Countrywide Home Loans. Countrywide Home Loans' underwriting requirements stated that, except with respect to some mortgage loans originated pursuant to its Streamlined Documentation Program, "Countrywide Home Loans obtains appraisals from independent appraisers or appraisal services for properties that are to secure mortgage loans. . . . All appraisals are required to conform to Fannie Mae or Freddie Mac appraisal standards then in effect." Pros. Sup. S-62. Fannie Mae and Freddie Mac appraisal standards require that appraisals be independent, unbiased, and not contingent on a predetermined result. Many of the appraisals, however, were conducted by appraisers who were not independent, and so did not comply with Fannie and Freddie standards.

1. Appraisals were not conducted by independent appraisers.

119. Appraisals made under pressure of the kind described in paragraph 44 are breaches of Schedule III-A (38) because such appraisals are not independent, unbiased appraisals and do not conform to Fannie Mae and Freddie Mac appraisal standards.

120. As described above, the number of properties on which the value was overstated was more than 10 times the number on which the value was understated, and the aggregate

amount overstated was nearly 15 times the aggregate amount understated. This lopsided result demonstrates the upward bias in appraisals of properties that secured the mortgage loans in CWALT 2006-OA3.

121. For the 448 mortgage loans where the AVM reported a value significantly lower than the reported appraised value and the 20 mortgage loans where the subsequent sale prices show that the initial appraisal was too high, there is strong evidence that the appraisal was biased because the appraisers were not independent. Each such loan breached the representations and warranties in Schedule III-A (37) and (38). Eliminating duplicates, 457 loans did not comply with the stated underwriting guidelines.

2. Additional evidence of undisclosed departures from underwriting standards.

122. In addition to the evidence from the subset of loans that Plaintiffs have investigated, cited above, the strong evidence described in paragraphs 52 and 61 from governmental investigations demonstrates that Countrywide Home Loans made extensive, undisclosed departures from its stated underwriting standards. This additional evidence shows that many of the loans already identified did not conform to Countrywide's underwriting standards, and that many more of the 2,534 loans in CWALT 2006-OA3 did not conform to Countrywide's underwriting standards.

D. Breach of Schedule III-A (44)

123. Countrywide represented and warranted that the "Mortgage Loans, individually and in the aggregate, conform in all material respects to the descriptions thereof in the Prospectus Supplement." CWALT 2006-OA3 PSA § 2.03 & Schedule III-A (44). The CWALT 2006-OA3 prospectus supplement contains tables that described the LTVs and the occupancy status of the

mortgage loans as of the cut-off date. These tables were incorrect because the LTVs of the mortgage loans and the occupancy status of the mortgage loans were incorrect.

1. LTVs

124. With respect to the same 448 mortgage loans described above, the LTVs were incorrect. Each mortgage loan that had an incorrect LTV was a breach of Schedule III-A (44).

2. Occupancy Status

125. A representation that the property that secured a mortgage loan was owner occupied when the property was actually not owner occupied materially and adversely affects the interests of both CWALT 2006-OA3 and the Certificateholders in that mortgage loan.

126. Five loans in CWALT 2006-OA3 that were reported to be owner occupied in Schedule I of the PSA were not actually owner occupied because the borrower designated another property as his or her homestead. These five loans are identified in Table 3 of Exhibit 9.

127. With respect to 173 of the properties that were stated in Schedule I of the PSA to be owner occupied, the owner could have but did not designate the property as his or her homestead. These 173 loans are identified in Table 3 of Exhibit 9.

128. For 98 properties that secured the mortgage loans, the borrower instructed local tax authorities to send the bills for the taxes on the property to the borrower at an address other than the property itself, even though the property was reported to be owner occupied in the Schedule. Such an instruction is strong evidence that the borrower did not live in the mortgaged property or consider it to be his or her primary residence. These 98 loans are identified in Table 3 of Exhibit 9.

129. With respect to 198 mortgage loans, the occupancy status of the property as reflected in the prospectus supplement was incorrect. With respect to five mortgage loans that were represented to be owner occupied, the borrower actually designated a different property as

his or her homestead. With respect to 173 mortgage loans, the borrower could have designated the property as his or her homestead but did not. With respect to 98 mortgage loans that were represented to be owner occupied, the borrower instructed local tax authorities to send the bills for the taxes on the property to the borrower at an address other than the property itself. Each of these criteria indicates that the property was not actually owner occupied.

130. Each incorrect occupancy status was a breach of Schedule III-A (44).

III. Examples of Noncompliant Loans

131. By way of illustration, and without limitation, the following paragraphs highlight particular loans that Plaintiffs' investigation showed did not comply with the representations and warranties that Countrywide Home Loans made about them.

132. Loan number 116668880: This loan for $219,335 was secured by a property that had a reported appraised value of $235,000. The AVM determined that the true value of the property was $184,000. Thus the reported LTV was 93.3%, but the true LTV was 119%. The property that secured this loan was represented to be owner occupied, but in fact, another property owned by the same owner was designated as a homestead, this property was not designated as a homestead, and the property tax bills were sent to another address. This loan therefore breached the following representations and warranties: Schedule III-A (1), (3), (37), (38), and (44).

133. Loan number 117403868: This loan for $348,750 was secured by a property that had a reported appraised value of $390,000. The AVM determined that the true value of the property was $214,000. Thus the reported LTV was 90%, but the true LTV was 163%. This loan therefore breached the following representations and warranties: Schedule III-A (1), (3), (37), (38), and (44).

134. Loan number 127587373: This loan for $114,950 was secured by a property that had a reported appraised value of $149,000. The AVM determined that the true value of the property was $103,000. Thus the reported LTV was 77.2%, but the true LTV was 111%. After the loan was securitized, the property was sold for only $95,000, even though housing prices in the area the property was located only declined by 10% between the date of origination of the loan and the sale. This loan therefore breached the following representations and warranties: Schedule III-A (1), (3), (37), (38), and (44).

135. A list of each of the loans that the investigation uncovered that breached the representations and warranties is attached as in Exhibit 10.

136. Based on the 536 loans that breached the representations and warranties and on the publically available information described in paragraphs 52 through 61, Plaintiffs are informed and believe that many more loans breached the representations and warranties.

IV. Countrywide Has Refused to Repurchase the Loans.

137. Under section 2.03(c) of the CWALT 2006-OA3 Pooling and Servicing Agreement, each Countrywide defendant agreed that

> within 90 days of the earlier of its discovery or its receipt of written notice from any party of a breach of any representation or warranty with respect to a Mortgage Loan sold by it pursuant to Section 2.03(a) that materially and adversely affects the interests of the Certificateholders in that Mortgage Loan, it shall cure such breach in all material respects, and if such breach is not so cured, shall . . . repurchase the affected Mortgage Loan or Mortgage Loans from the Trustee at the Purchase Price. . . .

138. By letter dated August 3, 2010, Plaintiffs, through their attorneys, sent a letter to BNYM informing it of the breaches of representations and warranties that are described in paragraphs 97 through 101 above. This letter included an appendix that identified all loans identified in Exhibit 10. The letter from Plaintiffs dated August 3, 2010, without its appendices, is attached as Exhibit 11.

139. By letter dated August 31, 2010, BNYM sent the written notice of breaches of representations and warranties to the defendants and others. Thus, on August 31, 2010, or shortly thereafter, the Countrywide defendants received written notice from the Trustee of Countrywide's breaches of representations and warranties with respect to the mortgage loans.

140. Each Countrywide defendant is thus obligated to repurchase the loans it sold identified in Exhibit 10 that breached the representations and warranties that Countrywide made in the PSA.

141. The ninety-day period prescribed under Section 2.03(c) of the CWALT 2006-OA3 PSA expired on November 29, 2010.

142. The Countrywide defendants have not cured the breaches of representations and warranties or repurchased any of the affected mortgage loans from CWALT 2006-OA3.

V. Plaintiffs May Sue to Enforce the CWALT 2006-OA3 PSA.

143. Under the CWALT 2006-OA3 PSA, certificateholders may file a lawsuit if they meet the requirements of the limitation of suits provision. That provision states that certificateholders representing at least 25% of the Voting Rights of Certificates in CWALT 2006-OA3 must request that the Trustee sue and offer to indemnify the Trustee for the costs, expenses, and liability it incurs in connection with suing. A certificateholder may sue if the Trustee does not file suit within 60 days after receiving the request to sue and the indemnity.

144. On February 4, 2010, certificateholders of more than 25% of the trust, including Plaintiffs, made a written request to the Trustee to sue the defendants for breach of their obligations under Section 2.03(c) of the CWALT 2006-OA3 PSA and offered to indemnify the Trustee from loss, including attorneys fees and other expenses of litigation, that may be incurred by the Trustee as a result of following the direction of the certificateholders. This written request is attached as Exhibit 12.

145. More than 60 days have elapsed since Plaintiffs and the other certificateholder sent a written request directing BNYM to file a lawsuit. BNYM has not filed a lawsuit.

146. On April 5, 2011, BNYM, through its attorneys, sent a letter informing Plaintiffs that it did not intend to sue within 60 days of receiving the demand letter dated February 4, 2010. BNYM stated that it "need[ed] additional time to evaluate this matter" because Plaintiffs' demand letter "raise[d] . . . legal, contractual and practical issues . . . that BNY Mellon, in its capacity as trustee, must in good faith consider." BNYM did not commit to any date certain by which it would complete its evaluation.

147. BNYM's letter of April 5 was substantially identical to the letter that it had sent more than six weeks earlier, refusing a virtually identical demand to sue on CWALT 2006-OA10.

148. Plaintiffs have satisfied the requirements of the limitation of suits provision of the PSA and are entitled to sue to enforce breaches of the CWALT 2006-OA3 PSA.

149. The PSA authorizes the Trustee to enforce breaches of representations and warranties for the benefit of CWALT 2006-OA3.

150. BNYM's refusal to bring a lawsuit was unreasonable because Plaintiffs' investigation has produced specific evidence that gives rise to a strong inference that Countrywide breached its representations and warranties on the 937 loans that are the subject of this lawsuit and the other loans in CWALT 2006-OA3.

151. BNYM's request for additional time to evaluate Plaintiff's direction was also unreasonable because BNYM refused to provide a date certain by which it would complete its evaluation and because BNYM had more than six months to evaluate whether to file suit based on the evidence of breaches of representations and warranties that Plaintiffs have identified.

152. Because BNYM has unreasonably refused to bring a lawsuit, Plaintiffs bring this action derivatively, in the right and for the benefit of the Certificateholders of CWALT 2006-OA3, to redress the defendants' breach of contract.

153. Plaintiffs are Certificateholders. Plaintiffs will fairly and adequately represent the interests of CWALT 2006-OA3 and the Certificateholders of CWALT 2006-OA3 in enforcing and prosecuting their rights, and have retained competent counsel experienced in this type of litigation to prosecute this action.

LIABILITY OF DEFENDANTS BANK OF AMERICA CORPORATION AND ITS SUBSIDIARIES AS SUCCESSORS TO COUNTRYWIDE FINANCIAL CORPORATION AND COUNTRYWIDE HOME LOANS

154. At all relevant times, BAC was a public company whose stock was traded on the New York Stock Exchange.

155. Before the merger of Countrywide and BAC described below, Countrywide Financial Corporation (referred to as **Old CFC**) was the publicly-traded parent of numerous subsidiaries, including Countrywide Home Loans, CWALT, Park Granada, Park Monaco, and Park Sienna.

156. On January 11, 2008, BAC and Old CFC entered into an Agreement and Plan of Merger (referred to as the **Merger Agreement**) pursuant to which Old CFC would be merged into Red Oak Merger Corporation, a wholly-owned subsidiary of BAC formed to accomplish the merger.

157. Under the Merger Agreement, Old CFC would merge into Red Oak and cease to exist, and Red Oak would continue as the surviving company.

158. Under the Merger Agreement, the shareholders of Old CFC would receive, and ultimately did receive, 0.1822 shares of BAC stock for each share of Old CFC, thereby maintaining those shareholders' ownership interest in the businesses of Old CFC.

159. After the merger, Red Oak was to be renamed Countrywide Financial LLC but was in fact renamed Countrywide Financial Corporation (referred to as **New CFC**).

160. In a Form 8-K filing also dated January 11, 2008, BAC disclosed that the Merger Agreement was between Old CFC and BAC, the public company, not any subsidiary or affiliate of BAC.

161. In a press release accompanying the 8-K, BAC stated that it intended initially to operate Countrywide separately under the Countrywide brand and that integration of Countrywide's operations with the operations of Bank of America would occur in 2009.

162. On February 22, 2008, an article appeared in the periodical *Corporate Counsel* about the litigation that Countrywide then faced and its possible implications for Bank of America. In the article, a spokesperson for Bank of America acknowledged that Bank of America had "bought the company and all of its assets and liabilities[,] . . . was aware of the claims and potential claims against the company and [had] factored these into the purchase."

163. On May 28, 2008, BAC filed a Form 8-K and issued a press release stating that Bank of America was creating a new banking management structure and that a long-time Bank of America officer would become president of the new consumer real estate operations of "Countrywide Financial Corporation and Bank of America when they are combined." The press release also stated that the president of this new consumer real estate operation would be based in Calabasas, California, the location of Old CFC's principal offices.

164. BAC and Old CFC consummated the merger on July 1, 2008. As a result, Old CFC ceased to exist. By operation of law, as a consequence of the merger, Red Oak (soon thereafter renamed Countrywide Financial Corporation, which is New CFC) assumed the liabilities of Old CFC. In a July 1, 2008 8-K and press release, the president of Bank of America's consumer real estate unit stated that it was now time to "begin to combine the two companies and prepare to introduce our new name and way of operating." The release also noted that the combined entity would be based in Calabasas, California, the former principal offices of Countrywide. Plaintiffs are informed and believe, and based thereon allege, that Bank of America's consumer real estate unit has been and remains housed in the offices formerly occupied by Countrywide, and Bank of America has retained a substantial number of former employees of Countrywide to operate its consumer real estate unit.

165. On October 6, 2008, BAC filed an 8-K announcing, among other things, that New CFC and Countrywide Home Loans would transfer all or substantially all of their assets to unnamed subsidiaries of BAC. Plaintiffs are informed and believe, and based thereon allege, that the intended effect of this transaction was to integrate further into the operations of Bank of America the assets of Old CFC and Countrywide Home Loans that had been transferred to New CFC in connection with the merger, while leaving liabilities with New CFC and Countrywide Home Loans.

166. On November 7, 2008, BAC filed an 8-K announcing, among other things, that New CFC and Countrywide Home Loans had transferred substantially all of their assets and operations to BAC. Plaintiffs are informed and believe, and based thereon allege, that, primarily as a result of this transfer of assets, New CFC and Countrywide Home Loans are now moribund organizations, with few, if any, assets or operations.

167. Plaintiffs are informed and believe, and based thereon allege, that transferees of New CFC's and Countrywide Home Loans' assets may have included other subsidiaries of BAC rather than, or in addition to, BAC. In either event, the asset sales were orchestrated and controlled by BAC.

168. As part of the consideration for New CFC's and Countrywide Home Loans' assets, BAC assumed debt securities and related guarantees of Countrywide in an aggregate amount of $16.6 billion. BAC assumed much of this debt through the amendment of indenture agreements substituting BAC (but no other Bank of America company) as the issuer and/or guarantor of the securities subject to the indentures.

169. Plaintiffs are informed and believe, and based thereon allege, that the consideration given for New CFC's and Countrywide Home Loans' assets, as dictated by BAC, was not sufficient to satisfy New CFC's and Countrywide Home Loans' liabilities.

170. On April 27, 2009, Bank of America announced the rebranding of Countrywide operations as Bank of America Home Loans. Bank of America stated that the new brand would represent the combined operations of Bank of America's mortgage and home equity business and Countrywide Home Loans.

171. By the transactions described above, BAC has moved Old CFC's and Countrywide Home Loans' businesses out of Old CFC and Countrywide Home Loans, combined them with its own business operations, and proceeded to operate them.

172. Bank of America operates its combined consumer real estate unit out of what was Old CFC's and Countrywide Home Loans' headquarters. The Plaintiffs are informed and believe, and based thereon allege, that Bank of America employs many former employees of Countrywide to operate this combined unit.

173. Plaintiffs are informed and believe, and based thereon allege, that Bank of America's rebranded consumer real estate business, Bank of America Home Loans, now operates out of over 1,000 former Countrywide Home Loans offices nationwide.

174. Public statements by Old CFC and BAC reflect that the companies intended that their business operations combine. In its press release announcing the merger, BAC declared that it planned to operate Countrywide Home Loans separately under the Countrywide brand for a limited period only, with integration to occur in 2009. In its 2008 annual report, BAC stated that as a "combined company," Bank of America would be recognized as a responsible lender. Similarly, representatives of Old CFC stated that the "combination" of Countrywide and Bank of America would create one of the most powerful mortgage franchises in the world. On a November 16, 2010, conference call Brian Moynihan, the president and CEO of BAC, stated that Bank of America "would pay for the things that Countrywide did."

175. Because Bank of America continued to operate the businesses of Old CFC and Countrywide Home Loans, it had to assume the liabilities necessary to continue those operations, and Plaintiffs are informed and believe, and based thereon allege, that Bank of America did so.

176. In general, when a corporation sells all or substantially all of its assets to another, the liabilities of the seller do not pass to the asset purchaser unless they are part of the bargained-for exchange between the parties. There are, however, a number of doctrines of successor liability that create exceptions to this general rule. The relevant facts, as alleged herein, show that as a result of the circumstances surrounding the purchase and sale of New CFC and Countrywide Home Loans assets, BAC and its unnamed subsidiaries are liable to Plaintiffs because they are the successors to the liabilities of Old CFC and Countrywide Home Loans that were transferred to New CFC by virtue of the Bank of America/Countrywide merger.

FIRST CAUSE OF ACTION: BREACH OF THE CWALT 2006-OA10 PSA

177. Plaintiffs incorporate in this paragraph by reference, as though fully set forth, paragraphs 1 through 176.

178. The CWALT 2006-OA10 PSA is a valid contract.

179. In the CWALT 2006-OA10 PSA, and for valuable consideration, Countrywide Home Loans made to CWALT 2006-OA10 representations and warranties about each of the mortgage loans that CWALT 2006-OA10 purchased from CWALT.

180. At least 1,432 of the loans that CWALT 2006-OA10 purchased breached the representations and warranties that Countrywide made about those loans.

181. Under the CWALT 2006-OA10 PSA, the Countrywide defendants must repurchase the loans. The Countrywide defendants have not repurchased the loans and have breached the CWALT 2006-OA10 PSA.

182. Countrywide's failure to repurchase the loans has caused damages to CWALT 2006-OA10 and to the Certificateholders of CWALT 2006-OA10, including Plaintiffs.

SECOND CAUSE OF ACTION: BREACH OF THE CWALT 2006-OA3 PSA

183. Plaintiffs incorporate in this paragraph by reference, as though fully set forth, paragraphs 1 through 176.

184. The CWALT 2006-OA3 PSA is a valid contract.

185. In the CWALT 2006-OA3 PSA, and for valuable consideration, Countrywide Home Loans made to CWALT 2006-OA3 representations and warranties about each of the mortgage loans that CWALT 2006-OA3 purchased from CWALT.

186. At least 536 of the loans that CWALT 2006-OA3 purchased breached the representations and warranties that Countrywide made about those loans.

187. Under the CWALT 2006-OA3 PSA, the Countrywide defendants must repurchase the loans. The Countrywide defendants have not repurchased the loans and have breached the CWALT 2006-OA3 PSA.

188. Countrywide's failure to repurchase the loans has caused damages to CWALT 2006-OA3 and to the Certificateholders of CWALT 2006-OA3, including Plaintiffs.

DEMAND FOR RELIEF

Therefore, Plaintiffs demand judgment against the defendants Countrywide Home Loans, Inc., Park Granada, Park Monaco, and Park Sienna, and their successor Bank of America Corporation, for specific performance of their obligation under Section 2.03(c) of the CWALT 2006-OA10 PSA and Section 2.03(c) of the CWALT 2006-OA3 PSA with respect to the loans identified in Exhibits 4 and 10 to this Complaint, and with respect to all other loans in the trusts as to which the defendants breached one or more of their representations and warranties under the PSAs, or in the alternative, for damages in an amount to be determined at trial, with interest. Plaintiffs also demand an award of the costs and expenses of maintaining this action on behalf of the trusts, including reasonable attorneys and expert fees.

DEMAND FOR TRIAL BY JURY

Plaintiffs demand a trial by jury.

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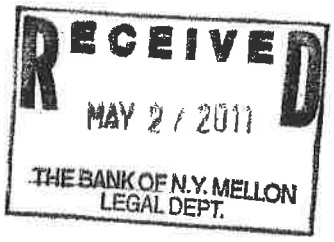
Dated: New York, New York
April 12, 2011

EXHIBIT F

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

KNIGHTS OF COLUMBUS, Plaintiff, v. THE BANK OF NEW YORK MELLON, Defendant.	)	Index No. 651442/2011 COMPLAINT



Plaintiff Knights of Columbus, by their attorneys Peter N. Tsapatsaris LLC and Talcott Franklin P.C. (*pro hac vice* application to be submitted), for their Complaint against Defendant The Bank of New York Mellon, allege the following:

SUMMARY

1. This action requests the Court to order an immediate accounting of two trusts known as CWALT 2005-6CB and CWALT 2006-6CB (the "Trusts"). The Trusts hold residential mortgage loans for the benefit of investors such as Plaintiff. An accounting is required because one or more of the Trust administrators have: (1) been examined by the Office of Comptroller of the Currency, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Federal Reserve Board, which "found critical deficiencies and shortcomings in foreclosure governance processes, foreclosure document preparation processes, and oversight and monitoring of third party law firms and vendors"; (2) been accused by the City of Buffalo, among others, for failing to properly care for and dispose of unoccupied properties, contributing to the deterioration

of neighborhoods and increasing losses to the Trusts' beneficiaries; (3) been found by the Office of the Comptroller of the Currency to have "engaged in unsafe or unsound banking practices" "[i]n connection with certain foreclosures of loans in its residential mortgage servicing portfolio", which is subjecting each Trust to unknown costs and expenses; (4) been accused by the Federal Trade Commission of engaging in a deliberate strategy to "mark up" the actual cost of services that are ultimately paid by each Trust; (5) been exposed by the AMERICAN BANKER for using affiliates to place on homes insurance costing up to ten times the price of regular policies, which premiums are ultimately charged to the beneficiaries of each Trust; and (6) had a court find that a practice that an employee of a Trust administrator testified under oath was "customary" precluded a similar trust from enforcing its rights under a mortgage.

THE PARTIES

2. Plaintiff, Knights of Columbus, is a fraternal benefit society organized and existing under the laws of the State of Connecticut. Plaintiff's principal place of business is 1 Columbus Plaza, New Haven, Connecticut 06510. Plaintiff owns a beneficial interest in each Trust in the form of certificates issued for each Trust in the manner described below.

3. Defendant, The Bank of New York Mellon, formerly named The Bank of New York, is a New York state chartered bank with trust powers with its principal place of business located at One Wall Street, New York, NY 10286. Defendant serves as Trustee for each Trust, as described below.

4. Defendant's Chairman and Chief Executive Officer described Defendant's business model in his February 11, 2009 testimony before the House Financial Services Committee as follows:

> The business model of The Bank of New York Mellon is very different from a traditional retail or commercial or investment bank. In contrast to most of the other companies here today, our business model does not focus on the broad retail market or products such as mortgages, credit cards or auto loans. Nor do we even do typical lending to corporate businesses. A good way to think of The Bank of New York Mellon is that we are a "bank for banks." The lion's share of our business is dedicated to helping other financial institutions around the world.

JURISDICTION AND VENUE

5. The Court has jurisdiction over this proceeding pursuant to CPLR §§ 301 and 302. The Bank of New York Mellon is a New York state charted bank with its principal place of business in the City of New York. Each Trust is a New York Trust formed under the laws of the State of New York. The Bank of New York Mellon participated in the transaction, the formation of each Trust, and other activities within the State that led to the events forming the basis of this Complaint.

6. Venue is proper in this Court pursuant to CPLR §§ 503(c) and 506. The Bank of New York Mellon's principal office is located at One Wall Street, New York, NY 10286.

BACKGROUND – THE KNIGHTS OF COLUMBUS

7. The Knights of Columbus (the "Knights"), the world's largest Catholic family fraternal service organization, was chartered as a fraternal benefit society by the Connecticut state legislature in 1882 to further its mission of rendering financial aid to sick, disabled, and needy members. Founded on the principles of charity, unity, patriotism, and fraternity the Knights promote social and intellectual fellowship among the members and their families through educational, charitable, religious, social welfare,

war relief, and public relief works. Membership in the Knights is open to men 18 years of age or older who are practicing Catholics and are committed to supporting the Catholic Church and making their community a better place. The Order has been called "the strong right arm of the Church" and has been praised by popes, presidents and other world leaders for support of the Church, civic involvement, and aid to those in need. In 2008, the Holy See gave the founder of the Knights, parish priest Father Michael J. McGivney, the title "Venerable Servant of God" which marks an important step on the journey to his beautification and canonization.

8. In 2009, the Knights raised and donated more than $151 million to charitable needs and projects and members volunteered more than 69 million hours of their time to charitable initiatives including 227,900 hours to Habitat for Humanity. In the last decade, the Knights have donated more than $1.367 billion to charity and provided nearly 640 million service hours. The charitable work performed by the Knights is vast and varied and includes disaster relief in Japan, Haiti, and the Philippines; donations of over one million dollars to local food banks; and the distribution of new coats to children and wheelchairs to those in need. More recently the Knights have begun an extensive program in Haiti to assist the children who lost limbs in the earthquake by fitting them with prosthetics, providing rehabilitation services, and operating "The Return to Sports" program so that amputees can run and play soccer once again.

9. Since its inception the Knights have sought to protect the membership through the tool of insurance. Initially, the founding parish priest, Father McGivney, instituted a not-for-profit life insurance program to provide for the widows and orphans of deceased members. This not-for-profit program has expanded substantially to more effectively

serve the organization's 1.8 million members worldwide and now includes annuity, disability, and long-term care products. Today, the Knights maintain an investment portfolio of $17 billion and operate a fraternal insurance organization doing business in the 50 states of the United States, the District of Columbia, the 10 provinces of Canada, Puerto Rico, the Virgin Islands, Northern Mariana Islands, Guam, Mexico, the Philippines, and Poland. In April of 2011, life insurance in force exceeded $80 billion. The Knights is one of only five insurers in North America to receive the highest possible rating for financial stability from both A.M. Best and Standard & Poors, and one of only three insurers in the United States to have both those accolades *plus* the Insurance Marketplace Standards Association certification for ethical business and marketing practices.

10. As a fraternal benefit society, the Knights have no stockholders; the Knights' "owners" are its members, and just as those members are committed to performing an impressive array of charitable, religious, and patriotic works, the Knights are committed to protecting the financial futures of the members and their families. One way the Knights do this is by paying claims and dividends to insured members. In 2009, the Knights paid well over $431 million in death claims and other benefits, and more than $309 million in dividends to policyholders. From 2000 to 2009, the Knights paid $3.191 billion in dividends to insured members.

BACKGROUND – THE TRUST

11. Defendant is the Trustee of numerous trusts for the benefit of investors (called "certificateholders"), including Plaintiffs.

12. The document providing for the establishment and administration of each Trust is called a "Pooling and Servicing Agreement" ("PSA").

13. The corpus of each Trust consists primarily of residential mortgage loans made by Countrywide Home Loans, Inc. and/or its affiliates Park Granada LLC, Park Monaco Inc., and Park Sienna LLC.

14. After the loans were deposited into each Trust, the borrowers began making payments to each Trust through Countrywide Home Loans Servicing LP as Master Servicer for each Trust.

15. Countrywide Home Loans Servicing LP is now known as BAC Home Loans Servicing, LP. Throughout the remainder of the Complaint, this entity and its parent will be referred to as the "Master Servicer".

16. When the Master Servicer collects loan payments from borrowers, the Master Servicer transfers those payments to the Defendant The Bank of New York Mellon, who as Trustee of each Trust distributes those payments to each Trust's beneficiaries — the certificateholders — such as Plaintiff. Thus, the certificateholders are entitled to participation in the cash flow the Master Servicer collects from borrowers relating to the mortgage loans each Trust holds on behalf of the certificateholders.

17. Therefore, each Trust is primarily administered by two entities: The Defendant "Trustee", who is the "face" of each Trust with the Trust beneficiaries such as Plaintiff, and the "Master Servicer", who is the "face" of each Trust with borrowers.

18. Because a trustee such as Defendant holds the trust corpus for the beneficiaries, a servicer such as the Master Servicer here will act in the name of the trustee when taking action against borrowers, which includes the servicer in the name of a trustee bringing

foreclosure actions against borrowers who are allegedly delinquent on their loan payments. Government officials who are unaware of this practice thus often blame a trustee for the acts of the servicer, even though the trustee is only a nominal party to the foreclosure. As set forth below, both the Defendant and each Trust have suffered significant reputational damage as a consequence of the allegations leveled against the Master Servicer.

BACKGROUND – GENERAL ALLEGATIONS

19. Recent revelations from a variety of credible sources indicate that the Master Servicer may be acting for its own benefit rather than for the benefit of investors. Furthermore, the acts detailed below indicate that the Master Servicer may be damaging the borrowers whose loans make up each Trust's corpus and undermining efforts to restore economic prosperity to this Country.

20. Each year in accordance with contractual obligations related to various trusts serviced by the Master Servicer, the Master Servicer at its expense causes a nationally or regionally recognized firm of independent public accountants (which is a member of the American Institute of Certified Public Accountants) to furnish a statement to Defendant to the effect that such firm has examined certain documents and records relating to the servicing of the Mortgage Loans and that, on the basis of such examination, such servicing has been conducted in compliance with the Master Servicer's contractual obligations, with any significant exceptions or errors reported.

21. On information and belief, based on the public allegations detailed below, any Report of an Independent Accounting Firm produced by a competent nationally or regionally recognized firm of independent public accountants and member of the

American Institute of Certified Public Accountants, would have found on the part of the Master Servicer material non-compliance with certain servicing criteria.

22. On information and belief, based on the language of certain PSAs, the Master Servicer each year provides to Defendant the Report of an Independent Accounting Firm. On information and belief, based on an absence of reports to certificateholders or the media on the issue, Defendant has taken no action with respect to any material non-compliance identified, or any of the other allegations described in this Complaint.

23. During the fourth quarter of 2010, the Office of Comptroller of the Currency, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Federal Reserve Board undertook a coordinated horizontal examination of foreclosure processing at the nation's 14 largest federally regulated mortgage servicers, including the Master Servicer. As John Walsh, Acting Comptroller of the Currency testified before the Senate Committee on Banking, Housing, and Urban Affairs on February 17, 2011:

> In general, the examinations found critical deficiencies and shortcomings in foreclosure governance processes, foreclosure document preparation processes, and oversight and monitoring of third party law firms and vendors. These deficiencies have resulted in violations of state and local foreclosure laws, regulations, or rules and have had an adverse affect on the functioning of the mortgage markets and the U.S. economy as a whole. By emphasizing timeliness and cost efficiency over quality and accuracy, examined institutions fostered an operational environment that is not consistent with conducting foreclosure processes in a safe and sound manner.[1]

24. On April 13, 2011, the Office of the Comptroller of the Currency "announced formal enforcement actions against eight national bank mortgage servicers and two third-party servicer providers for unsafe and unsound practices related to residential mortgage

[1] Written testimony available at http://www.occ.treas.gov/news-issuances/congressional-testimony/2011/pub-test-2011-19-written.pdf

loan servicing and foreclosure processing." The eight servicers included the Master Servicer. *See* http://occ.gov/news-issuances/news-releases/2011/nr-occ-2011-47.html.

25. That same date, the Office of the Comptroller of the Currency signed and published a consent order styled *In the Matter of Bank of America, N.A.* (the "Consent Order"), which found that the Master Servicer "engaged in unsafe or unsound banking practices" by reason of the following conduct:

> In connection with certain foreclosures of loans in its residential mortgage servicing portfolio, the Bank: (a) filed or caused to be filed in state and federal courts affidavits executed by its employees or employees of third-party service providers making various assertions, such as ownership of the mortgage note and mortgage, the amount of the principal and interest due, and the fees and expenses chargeable to the borrower, in which the affiant represented that the assertions in the affidavit were made based on personal knowledge or based on a review by the affiant of the relevant books and records, when, in many cases, they were not based on such personal knowledge or review of the relevant books and records; (b) filed or caused to be filed in state and federal courts, or in local land records offices, numerous affidavits or other mortgage-related documents that were not properly notarized, including those not signed or affirmed in the presence of a notary; (c) litigated foreclosure proceedings and initiated non-judicial foreclosure proceedings without always ensuring that either the promissory note or the mortgage document were properly endorsed or assigned and, if necessary, in the possession of the appropriate party at the appropriate time; (d) failed to devote sufficient financial, staffing and managerial resources to ensure proper administration of its foreclosure processes; (e) failed to devote to its foreclosure processes adequate oversight, internal controls, policies, and procedures, compliance risk management, internal audit, third party management, and training; and (f) failed to sufficiently oversee outside counsel and other third-party providers handling foreclosure-related services.

BACKGROUND – THE NATIONAL FINANCIAL CRISIS

26. As this Court well understands, a national financial crisis exists, which was primarily caused by irresponsible lending practices and leveraging of debt on the part of the nation's largest financial institutions.

27. This financial crisis required an unprecedented federal bailout of the nation's largest financial institutions, including the Defendant Trustee and the Master Servicer

described in this Complaint. The Defendant Trustee received $3,000,000,000 under the Capital Purchase Program, while the Master Servicer received $25,000,000,000 under the Capital Purchase Program and $20,000,000,000 under the Targeted Investment Program.

BACKGROUND – THE NATIONAL FORECLOSURE CRISIS

28. As this Court also understands, a national foreclosure crisis accompanies the financial crisis. "The Federal Reserve considers the record rate of mortgage delinquencies, foreclosures and their impacts on communities an urgent problem." *See* http://data.newyorkfed.org/creditconditionsmap/#.

29. Losing a home to foreclosure can be one of the most serious, stressful, and devastating events in a person's life.

30. During the foreclosure process, borrowers should be treated with respect, and the foreclosure process should be performed in a manner that is honest, legal, and in compliance with due process of law.

31. Borrowers losing homes to foreclosure can fall into a number a categories, examples of which include the following borrowers who are working to save their homes from foreclosure: (1) honest borrowers experiencing difficult life events ("Good Faith Borrowers"); and (2) victims of predatory lending activities who were misled or outright defrauded into obtaining a loan they could not afford ("Predatory Lending Victims").

32. The Master Servicer should provide Good Faith Borrowers a reasonable opportunity to stay in their homes where that result exceeds the net present value of foreclosing.

33. The entity (or its successor in interest) who sold a Trust a loan made to a Predatory Lending Victim should repurchase the loan from the Trust as it warranted it

would upon sale, and face the consequences of its wrongful acts against the borrower under applicable law.

34. Borrowers losing homes to foreclosure can also fall into other categories, including the following: (1) borrowers who cannot make net present value positive payments under any circumstances and/or have abandoned the premises ("Abandoned Properties"); and (2) borrowers who engaged in property-flipping schemes, straw-man purchases, or other fraudulent acts, which is often accompanied by a failure to make any payments to a Trust ("Fraudulent Borrowers"). Abandoned Properties and Fraudulent Borrowers (who typically either abandon the property or start to destroy it) are a source of great concern to local governments charged with maintaining quality of life in these neighborhoods.

35. There is virtually no dispute that some foreclosures – including those involving Abandoned Properties and Fraudulent Borrowers – are necessary from both a lending and societal perspective ("Valid Foreclosures").

36. Valid Foreclosures should be done quickly to reduce the decay and decimation to a neighborhood that accompanies abandoned or vandalized properties.

BACKGROUND – FAILURE TO PROMPTLY PURSUE VALID FORECLOSURES

37. When a homeowner loses a home to foreclosure, title to the home passes to the Trust before the property is marketed and sold to a third party. At this stage in the process, the property is called "Real Estate Owned" (*i.e.,* real estate owned by the Trust). During this time, the property is typically vacant – the homeowner no longer lives at the property. Real Estate Owned has certain "costs of carry", which are necessary to preserve the value of the property and get the best possible price from a buyer to reduce

the deficiency owed by the borrower and maximize the return to the Trust. Such "carrying costs" include property maintenance, force-placed insurance coverage, taxes, and other expenses.

38. Further, once a property becomes Real Estate Owned, it cannot be allowed to deteriorate so that it becomes unsellable and a public nuisance. Such practices damage both the borrower and the investor by increasing the deficiency owed by the borrower on the loan and the loss associated with the property, as well as the community at large.

39. An example of this practice is alleged by the City of Buffalo in a complaint (the "Buffalo Complaint") styled *City of Buffalo v. ABN AMRO Mortgage Group, Inc.*, Case No. 2008002200 (N.Y. Sup. Ct. Feb. 20, 2008), which states at paragraph 117 that Bank of New York Trust was "granted a judgment of foreclosure for the property know[n] as 508 Dodge in the City of Buffalo, New York and thereby was the owner, occupant, mortgagee in possession, equitable owner, or that which exercised dominion and control over said property" and adds at paragraph 120 "on information and belief" that "Defendant Bank of New York permitted, suffered and allowed the aforesaid building(s) located at 508 Dodge [to] become so dilapidated, deteriorated, abandoned and/or decayed so as to present a danger to the health, safety and welfare of the public". Similar allegations are made against the parent of the Master Servicer respecting a property at 1 Ruhland. Buffalo Complaint ¶¶ 109-114.

40. According to a Brookings Institution senior fellow, the "impact of an REO property that sits vacant and boarded up for a year after a foreclosure sale is far more damaging than that of a property that is quickly fixed up and sold at an affordable price to a homebuyer. [...] The magnitude of that impact, as noted above, is largely a function of

how long the property sat vacant prior to resale. The shorter the period from initial notice to foreclosure sale, and from then until the property is resold and reoccupied, the less the impact." Alan Mallach, *REO Properties, Housing Markets, and the Shadow Inventory*, REO and Vacant Properties: Strategies for Neighborhood Stabilization (Federal Reserve Banks of Boston and Cleveland and the Federal Reserve Board), at 16.

41. By contrast, according to the president of the National Community Stabilization Trust, a "quick sale" of Real Estate Owned property "means lower carrying and marketing costs, less property deterioration and vandalism, and other savings." Craig Nickerson, *Acquiring Property for Neighborhood Stabilization: Lessons Learned from the Front Lines*, REO and Vacant Properties: Strategies for Neighborhood Stabilization (Federal Reserve Banks of Boston and Cleveland and the Federal Reserve Board), at 92.

42. Failures by the Master Servicer to promptly pursue Valid Foreclosures and/or dispose of Real Estate Owned properties increase the severity of losses associated with defaulted loans, which reduces the amounts distributed to investors in the Trust.

43. Without an accounting, the Trust beneficiaries have no way of knowing the full extent of losses that are associated with the failure to promptly pursue Valid Foreclosures and/or dispose of Real Estate Owned property.

BACKGROUND – ROBO-SIGNING

44. In a February 19, 2010 deposition in a Massachusetts bankruptcy case, Renee D. Hertzler, an employee of the Master Servicer, admitted under oath to signing seven to eight thousand legal documents a month outside the presence of a notary and without reviewing the documents prior to signing them. Ms. Hertzler testified "I typically don't read them because of the volume that we sign."

45. Ms. Hertzler further admitted to signing affidavits as the Vice President of the Defendant The Bank of New York Mellon when, in fact, she was not and never had been employed by Defendant.

46. Tam Doan worked on pre-sale foreclosures for the Master Servicer in Southern California. While his job required him to sign various legal documents, he primarily handled notices to delinquent borrowers that their loan was proceeding to foreclosure. His signature constituted an affirmation that the Master Servicer had reviewed the loan and it did not qualify for modification. Yet, Mr. Doan told CNN that "[w]e had no knowledge of whether the foreclosure could proceed or couldn't, but regardless, we signed the documents to get these foreclosures out of the way." In some cases he claimed that he did not even know what kind of document he was signing. "I had no idea what I was signing," said Doan. "Either you were in or you were out."[2]

47. This practice of signing documents in an assembly-line manner and swearing to personal knowledge of facts that the affiant has not even reviewed has popularly become known as "robo-signing".

48. The media revelations about robo-signing were a topic of discussion during a Congressional hearing[3] on the financial regulatory overhaul. A WASHINGTON POST article dated September 30, 2010 entitled *7 Major Lenders Ordered to Review Foreclosure Procedures* quoted John Walsh, acting director of the Office of the

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[2] http://money.cnn.com/2010/10/28/real_estate/robosigner/index.htm?section=money_latest&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:%20rss/money_latest%20%28Latest%20News%29

[3] The transcripts of the Senate Banking Committee Hearing on Financial Overhaul can be found at http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=45d8ba0b-04b1-41d6-b5b5-2008c0ce72d9, while the hearing video can be viewed at http://www.cspan.org/Watch/Media/2010/09/30/Congress/A/38741/Senate+Banking+Cmte+Hearting+on+Financial+Overhaul.aspx

Comptroller of the Currency as telling lawmakers that some lenders "clearly had deficiencies" in their foreclosure systems. Accordingly seven banks, including the Master Servicer, were ordered to review their foreclosure processes.

49. In her testimony before this same Congressional panel, Federal Deposit Insurance Corp. Chairman Sheila C. Bair described the issue of document processing errors as "troubling." She also said "it's just a further indication of how wrong we went with the mortgage origination process and securitization process."

50. According to the Congressional Oversight Panel's November Oversight Report, "Affidavits such as the ones involved in the foreclosure irregularities are statements made under oath and thus clearly fall within the scope of the perjury statutes." Congressional Oversight Panel, November Oversight Report, November 16, 2010, at 42.

51. On October 1, 2010, the Master Servicer announced that it was putting foreclosures on hold in the 23 judicial foreclosure states. According to the Master Servicer's spokesman Dan Frahm: "To be certain affidavits have followed the correct procedures, Bank of America will delay the process in order to amend all affidavits in foreclosure cases that have not yet gone to judgment."[4]

52. In October 2010, Attorneys General in California, Florida, Connecticut, Illinois, Ohio, and Colorado called for foreclosure moratoriums, and then-New York Attorney General and now Governor Andrew Cuomo began an investigation of the issue.[5] On October 4, 2010, the Attorney General of Texas sent notices to the Master Servicer and 29 other mortgage companies in the state demanding that all foreclosures be halted until

[4] http://www.washingtonpost.com/wp-dyn/content/article/2010/10/01/AR2010100106678.html

[5] http://www.totalmortgage.com/blog/mortgage-rates/bank-of-america-halts-foreclosures-in-23-states/6904

all "robo-signers" were identified, remedial steps taken to deal with legally insufficient documentation, and proper assurances of compliance with Texas law were given.[6] On October 5, 2010, Massachusetts Attorney General Martha Coakley asked the Master Servicer and other banks to suspend foreclosures and evictions in that state and Delaware Attorney General Joseph R. Biden, III called on the Master Servicer and other banks to halt all pending foreclosures until a thorough review of their foreclosure policies and procedures was complete.[7] That same day North Carolina Attorney General Roy Cooper asked the Master Servicer and 13 other mortgage companies to suspend foreclosures in his state.[8] All told, at "least 10 states - with Iowa and Delaware being the latest - are seeking to expand a voluntary freeze on foreclosures by some of the nation's largest mortgage lenders to include more companies and more regions."[9]

53. The Master Servicer responded on October 8, 2010, by releasing the following statement: "Bank of America has extended our review of foreclosure documents to all fifty states. We will stop foreclosure sales until our assessment has been satisfactorily completed. Our ongoing assessment shows the basis for our past foreclosure decisions is accurate. We continue to serve the interests of our customers, investors and

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[6] http://www.oag.state.tx.us/oagNews/release.php?id=3500

[7] http://www.bloomberg.com/news/2010-10-06/jpmorgan-bank-of-america-face-hydra-of-state-foreclosure-investigations.html; http://attorneygeneral.delaware.gov/media/releases/2010/Delaware%20foreclosures.pdf; www.ncdoj.com/News-and-Alerts/News-Releases-and-Advisories/Press-Releases/AG-Cooper-wants-answers-on-NC-foreclosures.aspx

[8] www.ncdoj.com/News-and-Alerts/News-Releases-and-Advisories/Press-Releases/AG-Cooper-wants-answers-on-NC-foreclosures.aspx

[9] http://www.washingtonpost.com/wp-dyn/content/article/2010/10/07/AR2010100704254.html

communities. Providing solutions for distressed homeowners remains our primary focus."[10]

54. In response to the ongoing dissemination of information regarding robo-signing, in October the attorneys general of all 50 states formed the Mortgage Foreclosure Multistate Group. In a joint statement issued October 13, 2010, the group opined that robo-signing "may constitute a deceptive act and/or an unfair practice or otherwise violate state laws."

55. On October 18, 2010, the Master Servicer released a statement that "We have reviewed our process for resubmission of foreclosure affidavits in the 23 judicial states with key stakeholders, including our largest investors. Accordingly, Bank of America today began the process of preparing foreclosure affidavits for submission in 102,000 foreclosure actions in which judgment is pending. We anticipate that by Monday, Oct. 25, the first foreclosure affidavits will be resubmitted to the courts. Upon judgment, foreclosure dates will be set and Bank of America will resume foreclosure sales in such proceedings in the 23 judicial states."[11]

56. However, on October 24, 2010, THE WALL STREET JOURNAL reported that the Master Servicer admitted finding errors in ten to twenty-five out of the first several hundred foreclosure files it examined. The mistakes included lack of signatures, missing files, and inconsistent information about the property and the payment history. In

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[10] http://mediaroom.bankofamerica.com/phoenix.zhtml?c=234503&p=irol-newsArticle&ID=1480657&highlight=

[11] http://mediaroom.bankofamerica.com/phoenix.zhtml?c=234503&p=irol-newsArticle&ID=1483909&highlight=. The states where foreclosures were suspended are: Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Nebraska, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Vermont, and Wisconsin.

addition, a Master Servicer spokesman admitted that rather than review all of the files for accuracy, the Master Servicer only reviewed several hundred, which represents less than 1% of the foreclosure filings it intends to resubmit to the courts. The WASHINGTON POST quoted Master Servicer spokesman Dan Frahm as stating: "We never said that our review tested each of these previously filed affidavits in these 102,000 proceedings."

57. Thus, despite the Master Servicer's review of its "process for resubmission of foreclosure affidavits in the 23 judicial states with key stakeholders", the Master Servicer review appears to be little more than a "robo-review", which is insufficient to determine whether or not the foreclosures are fully compliant with law.

58. On May 4, 2011, the Register of Deeds of Guilford County, Jeff L. Thigpen, surveyed various recorded documents filed with his office. Scores of filings in the name of Bank of America, N.A. were signed by Christie Baldwin. Filings in the name of Bank of New York Trust Company, N.A. were signed by Pat Kingston, who also signed for numerous other entities, including EMC Mortgage Corp., Citi Residential Lending Inc., Mortgage Electronic Registration Systems Inc., and Wells Fargo Bank, N.A. "Pat Kingston" and "Christie Baldwin" respectively used eight and twelve different signatures in Guilford County, including the following examples:

Pat Kingston
Vice Pres. Loan Documentation

Pat Kingston
Vice President

ank, N. A.

Pat Kingston
Vice Pres. Loan Documentation

Pat Kingston
Vice President

Christie Baldwin
Vice President

Christie Baldwin
Vice President

Christie Baldwin
Vice President

Christie Baldwin
Vice President

Christie Baldwin
Vice President

Christie Baldwin
Vice President

59. The nations' courts have also responded to the servicers' notoriously flawed paperwork by instituting new procedures in foreclosure matters in an effort to insure the integrity of the process.

a. The New York Court of Appeals implemented a new rule on October 20, 2010 requiring that every attorney handling a foreclosure matter must sign a form verifying that the documentation presented to the court is valid. Also, on November 8, 2010, the Cuyahoga County Court of Common Pleas (covering Ohio's largest county including the Cleveland metro area) announced a new residential mortgage foreclosure affidavit policy which will require attorneys to provide details of their communication with the representative of the party seeking foreclosure and certifying that to the best of their knowledge the pleadings and other court filings are complete and accurate.

b. In Maryland, the state's highest court approved new emergency measures that provide for examiners and/or special masters to scrutinize the documentation

in foreclosure matters. The new rules specifically allow the courts to pass on the cost of the examinations to the firms who are foreclosing on debtors.

60. The information provided to each Trust's beneficiaries contains insufficient detail to discern whether the costs of robo-signing – a creature entirely of the Master Servicer's manufacture – are being borne by the Master Servicer or passed on to each Trust's beneficiaries as Trust administration expenses.

61. Such expenses include, but are not limited to: (1) sanctions for misconduct in legal proceedings; (2) attorneys' fees and costs of filing a foreclosure complaint dismissed or delayed due to improper documentation; (3) attorneys' fees and costs of re-filing or amending a foreclosure complaint or affidavit; (4) attorneys' and other professional fees related to defenses against government investigations and claims; (5) costs of evaluating servicing procedures to ensure compliance with law; (6) the payment to borrowers and/or government entities of settlements, fines, penalties, or judgments related to this issue; and (7) "carrying costs" associated with delaying Valid Foreclosures such as force-placed insurance, default-related services, and taxes.

62. Without an accounting, there is no assurance that the extra fees and costs associated with robo-signing will be borne by the Master Servicer rather than borrowers or each Trust's beneficiaries.

BACKGROUND – MARKED UP FEES FOR DEFAULT-RELATED SERVICES

63. According to a complaint filed by the Federal Trade Commission (the "FTC Complaint") on June 7, 2010 styled *Federal Trade Commission v. Countrywide Homes Loans, Inc. and BAC Home Loans Servicing, LP*, Case No. CV-10-4193 (C.D. Cal.), the Master Servicer engaged in "unlawful acts and practices" "in servicing mortgage loans

for a particularly vulnerable class of consumers: borrowers in financial distress who are struggling to keep their homes." As with the loans in each Trust, "[m]any of the loans serviced by Defendants are risky, high-cost loans that had been originated or funded by Defendants' parent company, Countrywide Financial Corporation ("CFC") and its subsidiaries."

64. According to the FTC Complaint ¶ 15: "The scheme works as follows. Defendants order default-related services from the default subsidiaries, which in turn obtain the services from third-party vendors. The default subsidiaries then charge Defendants a fee significantly marked up from the third-party vendors' fee for the service, and the Defendants, in turn, assess and collect these marked-up fees from borrowers."

65. The FTC Complaint ¶ 15 quotes David Sambol, President, Chief Operating Officer, and Director of Countrywide Financial Corporation, who indicated that this is a deliberate strategy created to profit from increased delinquencies:

> Now, we are frequently asked what the impact of our servicing costs and earnings will be from increased delinquencies and [loss] mitigation efforts, and what happens to costs. And what we point out is, as I will now, is that increased operating expenses in times like this tend to be fully offset by increases in ancillary income in our servicing operation, greater fee income from items like late charges, and importantly from in-sourced vendor functions that represent part of our diversification strategy, a counter-cyclical diversification strategy such as our businesses involved in foreclosure trustee and default title services and property inspection services.

66. The FTC Complaint ¶ 18 provides a specific example of the manner in which the Master Servicer charged for default-related services: "Countrywide Field Services Corporation ('CFSC'), now doing business as BAC Field Services Corporation, is one of the default subsidiaries used by Defendants in servicing borrowers' mortgage loans. Until at least July 1, 2008, CFSC was a subsidiary of Defendant CHL. Defendants order property inspections and property preservation services, such as lawn cuts, from CFSC,

which in turn orders the services from third-party vendors. The vendors charge CFSC prices for the performance of these services, which prices CFSC then marks up in numerous instances by 100% or more before 'charging' them to Defendants. Defendants then charge the marked-up fees to the borrower. Defendants collect these marked-up fees from borrowers through various means, including in connection with repayment plans, reinstatements, payoffs, bankruptcy plans, and foreclosures."

67. The FTC Complaint ¶ 19 details other examples of the manner in which the Master Servicer on each Trust charged for default-related services: "Defendants obtain services through other default subsidiaries in similar fashion and then charge borrowers fees for default services that are substantially marked up from the actual cost of the services. These other default subsidiaries are LandSafe Default, Inc., also known as LandSafe National Default, ("LandSafe") and ReconTrust Company, N.A. ("ReconTrust"). Defendants order pre-foreclosure title reports from LandSafe at the very beginning of a foreclosure referral. As soon as the report is completed, the borrower is billed for it, and Defendants send the report with the foreclosure referral to a foreclosure attorney or trustee. In many instances, Defendants send foreclosure referrals to ReconTrust. ReconTrust acts as the Defendants' foreclosure trustee in non-judicial foreclosure states, such as California. LandSafe hires vendors to perform pre-foreclosure title services and then "charges" fees to Defendants for those services that are substantially marked up from the vendors' prices. Likewise, ReconTrust provides foreclosure trustee services that have been substantially marked up from the actual cost of the services. Defendants then pass on these marked-up fees to borrowers."

68. The FTC Complaint omits one other method by which the Master Servicer can collect for these marked-up services: by charging them to a Trust and its beneficiaries as expenses incurred in foreclosure.

69. In the most common instance, the borrower in default on the loan lacks sufficient funds to pay the Master Servicer for these charges. Therefore, the Master Servicer takes its reimbursement for the default-related services from the amount recovered from the foreclosure sale of the home, which reduces the amount to be distributed to each Trust's beneficiaries. In exchange, each Trust's beneficiaries are provided with a deficiency claim against the borrower for these default-related services, which is of debatable validity and has little chance of being collected.

70. Unfortunately, the detail of these charges is not reported in a manner that allow each Trust's beneficiaries to discern whether or not the Trust fund is incurring these marked-up services as expenses.

71. The FTC Complaint ¶ 17 alleges that the charges for default services violate the borrower's loan documents: "In charging marked-up fees for default services, Defendants have violated the mortgage contract by charging borrowers for default services that exceed the actual cost of the services and that are not reasonable and appropriate to protect the note holder's interest in the property and rights under the security instrument. In addition, Defendants have charged borrowers for the performance of default services, such as property inspections and title reports, that in some instances were not reasonable and appropriate to protect the note holder's interest in the property and rights under the security instrument."

72. Any inflated fees charged by the Master Servicer for default related services are neither customary, nor reasonable, nor necessary, and reflect more than the cost of the services.

73. Without an accounting, the Trusts' beneficiaries have no means of determining the amount that each Trust has been charged for these marked-up default-related services and/or whether such charges are on-going despite the consent order entered into with the FTC. As a result, the Trusts' beneficiaries have no method of protecting themselves or the borrowers who fund each Trust with their mortgage payments against the predations of the Master Servicer.

BACKGROUND – FORCE-PLACED INSURANCE

74. A November 10, 2010 article in AMERICAN BANKER describes the Master Servicer's practice of using an affiliate to force-place insurance at inflated rates on homeowners struggling to make payments, with investors like Plaintiff ultimately bearing the cost:

> Nominally purchased to protect the owners of mortgage-backed securities, such "force-placed" insurance can be 10 times as costly as regular policies, raising struggling homeowners' debt loads, pushing them toward foreclosure — and worsening the loss to investors on each defaulted loan.
>
> Evidence of abuses and self-dealing in the force-placed insurance industry suggests that there may be far larger problems in how servicers are handling distressed loans than the sloppy document recording that has been the recent focus of industry woes.
>
> Behind banks' servicing insurance practices lie conflicts of interest that align servicers and their insurer partners against borrowers and investors. Bank of America Corp. owns a force-placed insurance subsidiary, and most other major servicers receive commissions or reinsurance fees on the very same policies they purchase on investors' and borrowers' behalf.
>
> "There's no arm's-length transaction here, and that creates all sorts of incentives for the servicer to force-place excessive insurance and overcharge consumers for

> policies that provide minimal benefit," said Diane Thompson, of counsel for the National Consumer Law Center. "Servicers and insurers have turned this into a gravy train."
> [...]
> Foreclosure defense and legal aid attorneys say force-placed insurance is found on most of the severely delinquent loans in this country. If so, the cost to investors may well be in the billions of dollars.
> [...]
> With little regulatory oversight or even private investor awareness, force-placed insurance has helped make drawn-out foreclosures lucrative for servicers — far more so, in some cases, than helping a borrower return to performing status. As the intermediary between borrower and investor, servicers appear to be benefiting themselves at the expense of both.

75. As the AMERICAN BANKER article asserts, force-placed insurance at inflated rates damages Plaintiff and other investors in the Trusts in two ways. First, force-placing exorbitant insurance premiums on a struggling borrower makes the borrower less likely to recover from the default and make payments on the loan in the future. Second, if the borrower fails to pay the exorbitant premium, as most of them do, then the Master Servicer collects those payments from the proceeds of a foreclosure before passing the remaining funds through to the Trust. By thus reducing the amount paid to each Trust from the foreclosure sale, the Master Servicer has effectively charged its exorbitant premiums to the Trust.

76. Further, well-respected analyst Laurie Goodman notes that "by extending time to foreclosure, Bank of America/Countrywide are not only able to obtain hefty late fees (which payment is at the top of the waterfall at liquidation; paid before investors recover a single dime), but they are also profiting though their Balboa subsidiary." AMHERST MORTGAGE INSIGHT, May 20, 2010, at 23.

77. Charges for unnecessary insurance coverage at inflated rates increases the losses to investors associated with defaulted loans while benefiting the Master Servicer and its affiliates.

78. Without an accounting, the Trusts' beneficiaries have no means of determining whether each Trust has been charged for these unnecessary or marked-up force-placed insurance premiums and/or whether such charges are likely to be incurred in the future.

BACKGROUND – ASSIGNMENT OF RIGHTS

79. In a case styled *Kemp v. Countrywide Home Loans, Inc.*, Case No. 08-18700-JHW, Adversary No. 08-2448, the United States Bankruptcy Court for the District of New Jersey found that the Master Servicer, identifying itself as the servicer for Defendant, filed a secured claim in the bankruptcy of homeowner and debtor Kemp. Kemp filed an adversary complaint against the Master Servicer asserting that "the Bank of New York cannot enforce the underlying obligation."

80. At trial, a supervisor and operational team leader for the Litigation Management Department for the Master Servicer testified that "to her knowledge, the original note never left the possession of Countrywide, and that the original note appears to have been transferred to Countrywide's foreclosure unit, as evidenced by internal FedEx tracking numbers. She also confirmed that the new allonge had not been attached or otherwise affixed to the note. She testified further that it was customary for Countrywide to maintain possession of the original note and related loan documents."

81. Summarizing the record, the New Jersey Bankruptcy Court found that:

> [W]e have established on this record that at the time of the filing of the proof of claim, the debtor's mortgage had been assigned to the Bank of New York, but that Countrywide did not transfer possession of the associated note to the Bank. Shortly before trial in this matter, the defendant executed an allonge to transfer

> the note to the Bank of New York; however, the allonge was not initially affixed to the original note, and possession of the note never actually changed. The Pooling and Servicing Agreement required an indorsement and transfer of the note to the Trustee, but this was not accomplished prior to the filing of the proof of claim. The defendant has now produced the original note and has apparently affixed the new allonge to it, but the original note and allonge still have not been transferred to the possession of the Bank of New York. Countrywide, the originator of the loan, filed the proof of claim on behalf of the Bank of New York as Trustee, claiming that it was the servicer for the loan. Pursuant to the PSA, Countrywide Servicing, and not Countrywide, Inc., was the master servicer for the transferred loans. At all relevant times, the original note appears to have been either in the possession of Countrywide or Countrywide Servicing.

82. "With this factual backdrop", the New Jersey Bankruptcy Court turned "to the issue of whether the challenge to the proof of claim filed on behalf of the Bank of New York, by its servicer Countrywide, can be sustained", and found that:

> Countrywide's claim here must be disallowed, because it is unenforceable under New Jersey law on two grounds. First, under New Jersey's Uniform Commercial Code ("UCC") provisions, the fact that the owner of the note, the Bank of New York, never had possession of the note, is fatal to its enforcement. Second, upon the sale of the note and mortgage to the Bank of New York, the fact that the note was not properly indorsed to the new owner also defeats the enforceability of the note.

83. Without an accounting, Plaintiff cannot determine if the Master Servicer's "customary" practices reported in the *Kemp* opinion continue, whether such practices will have additional negative effects on the enforcement of each Trust's rights regarding the loans that comprise the corpus of each Trust, and/or the impact of such "customary" practices to date.

COUNT I – ACCOUNTING

84. Plaintiff incorporates by reference this Complaint's preceding paragraphs.

85. Significant evidence exists that Plaintiff and each Trust are suffering irreparable harm, including but not limited to: (a) the payment to the Master Servicer and its affiliates and vendors of unauthorized, exorbitant, and potentially illegal fees; (b) the

failure of each Trust to enforce its rights regarding the loans that comprise the Trust corpus; and (c) the actual size and nature of each Trust's corpus itself.

86. The results of an accounting may demonstrate that Plaintiff and others are entitled to further relief, including but not limited to money damages, rescission on the purchase of the certificates, a cease and desist order, or other monetary, declaratory, or injunctive remedies.

87. Defendant is obligated, under New York law, to provide an accounting regarding the issues set forth in this Complaint.

88. Plaintiff demands under New York law an immediate accounting of: (a) all costs, charges, and expenses for which the Master Servicer has obtained or sought reimbursement from either Trust or from the proceeds of any foreclosure, payment, short sale, or other money received related to a loan in a Trust; (b) the practices of the Master Servicer related to foreclosures and REO Property; and (c) the actual size and nature of each Trust's corpus.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that this Court enter an Order:

(a) Granting Plaintiff's request for an accounting,

(b) To the extent that such request benefits any party, including the Trustee, the Trusts, or the Trusts' beneficiaries, assess all costs and expenses of the accounting and of this action, *first*, against any party found to have unjustly caused the Trusts to incur losses or expenses, and *second*, if that is not possible, against the parties receiving the benefit; and

(c) Such other and further relief as the Court may deem just and proper.

JURY DEMAND

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

Dated: May 26, 2011

Respectfully Submitted,

/s Peter N. Tsapatsaris

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** Licensed only in Washington (inactive) and Texas. Pro hac vice application to be submitted.

EXHIBIT G

EXECUTION COPY

CWALT, INC.,
Depositor

COUNTRYWIDE HOME LOANS, INC.,
Seller

PARK GRANADA LLC,
Seller

PARK MONACO INC.,
Seller

PARK SIENNA LLC,
Seller

COUNTRYWIDE HOME LOANS SERVICING LP,
Master Servicer

and
THE BANK OF NEW YORK,
Trustee

POOLING AND SERVICING AGREEMENT
Dated as of November 1, 2006

ALTERNATIVE LOAN TRUST 2006-OA19

MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2006-OA19

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THIS POOLING AND SERVICING AGREEMENT, dated as of November 1, 2006, among CWALT, INC., a Delaware corporation, as depositor (the "***Depositor***"), COUNTRYWIDE HOME LOANS, INC. ("***Countrywide***"), a New York corporation, as a seller (a "***Seller***"), PARK GRANADA LLC ("***Park Granada***"), a Delaware limited liability company, as a seller (a "***Seller***"), PARK MONACO INC. ("***Park Monaco***"), a Delaware corporation, as a seller (a "***Seller***"), PARK SIENNA LLC ("***Park Sienna***"), a Delaware limited liability company, as a seller (a "***Seller***"), COUNTRYWIDE HOME LOANS SERVICING LP, a Texas limited partnership, as master servicer (the "***Master Servicer***"), and THE BANK OF NEW YORK, a banking corporation organized under the laws of the State of New York, as trustee (the "***Trustee***").

WITNESSETH THAT

In consideration of the mutual agreements contained in this Agreement, the parties to this Agreement agree as follows:

PRELIMINARY STATEMENT

The Depositor is the owner of the Trust Fund that is hereby conveyed to the Trustee in return for the Certificates. As provided herein, the Trustee will elect that the Trust Fund (excluding the Carryover Shortfall Reserve Fund, the Pre-Funding Account and the Capitalized Interest Account)) be treated for federal income tax purposes as two real estate mortgage investment conduits (each a "REMIC," or in the alternative, the "Master REMIC" and the "Expanding Strip ("ES") REMIC" respectively). The Master REMIC will hold as assets the several classes of uncertificated ES REMIC Interests (other than the Class ES-A-R Interest). Each Certificate, other than the Class A-R Certificate, will represent ownership of one or more REMIC regular interests in the Master REMIC. The Class A-R Certificate will represent ownership of the sole class of REMIC residual interest in each of the ES REMIC and the Master REMIC. The ES REMIC will hold as assets all the assets of the Trust Fund (excluding the Carryover Shortfall Reserve Fund, the Pre-Funding Account and the Capitalized Interest Account). The uncertificated ES REMIC Interests (other than the Class ES-A-R Interest) are designated as REMIC regular interests in the ES REMIC. The ES-A-R Interest is designated as the sole Class of REMIC residual interest in the ES REMIC. The "latest possible maturity date," for federal income tax purposes, of all REMIC regular interests created hereby will be the Latest Possible Maturity Date.

The following table specifies the Class designation, interest rate, and principal amount for each Class of ES REMIC Interests:

The following table specifies the Class designation, interest rate, and principal amount for each Class of ES REMIC Interests:

Expanding Strip REMIC Interest	Initial Principal Balance	Interest Rate	Corresponding Master REMIC Certificate
ES-SR-A-1	(1)	(3)	Class A-1
ES-SR-A-2	(1)	(3)	Class A-2
ES-SR-A-3A	(1)	(3)	Class A-3A
ES-SR-A-3B	(1)	(3)	Class A-3B
ES-SR-A-4	(1)	(3)	Class A-4
ES-SR-A-5	(1)	(3)	Class A-5
ES-X-1-Accrual	(1)	(3)	N/A
ES-$100	$100	(3)	Class A-R
ES-SB-M-1	(2)	(3)	Class M-1
ES-SB-M-2	(2)	(3)	Class M-2
ES-SB-M-3	(2)	(3)	Class M-3
ES-SB-M-4	(2)	(3)	Class M-4
ES-SB-M-5	(2)	(3)	Class M-5
ES-SB-M-6	(2)	(3)	Class M-6
ES-SB-M-7	(2)	(3)	Class M-7
ES-SB-M-8	(2)	(3)	Class M-8
ES-SB-M-9	(2)	(3)	Class M-9
ES-SB-M-10	(2)	(3)	Class M-10
ES-SB-B-1	(2)	(3)	Class B-1
ES-SB-B-2	(2)	(3)	Class B-2
ES-SB-B-3	(2)	(3)	Class B-3
ES-X-2-Accrual	(2)	(3)	N/A
ES-A-R	(4)	(4)	N/A

(1) Each Class ES-SR Interest has a principal balance that is initially equal to 50% of its Corresponding Certificate Class issued by the Master REMIC. The Class ES-X-1-Accrual Interest has a principal balance that is initially equal to the aggregate of the initial principal balances of the Class ES-SR Interests.

(2) Each Class ES-SB Interest has a principal balance that is initially equal to 50% of its Corresponding Certificate Class issued by the Master REMIC. The Class ES-X-2-Accrual Interest has a principal balance that is initially equal to the aggregate of the initial principal balances of the Class ES-SB Interests.

(3) The interest rate with respect to any Distribution Date (and the related Interest Accrual Period) for this ES REMIC Interest is a per annum rate equal to the Net Rate Cap.

(4) The Class ES-A-R Interest is the sole Class of residual interest in the ES REMIC. It pays no interest or principal.

On each Distribution Date, the Available Funds payable with respect to the Mortgage Loans and all prepayment charges and any Master Servicer Prepayment Charge Amounts for such Distribution Date shall be distributed with respect to the ES REMIC Interests in the following manner:

(1) Interest. Interest is to be distributed with respect to each ES REMIC Interest at the rate, or according to the formulas, described above; and

(2) Principal. Principal payments, both scheduled and prepaid, Realized Losses, Subsequent Recoveries and interest accruing on the Mortgage Loans will be allocated (a) to each Class ES-SR and ES-SB Interest so as to maintain its size relative to its Corresponding Certificate Class (that is, 50%) with any excess payments of principal, Realized Losses, Subsequent Recoveries and interest accruing on the Mortgage Loans being allocated (b) to (i) the Class ES-X-1-Accrual Interest so as to cause the principal balance of the Class ES-X-1-Accrual Interest to have a principal balance equal to the sum of (A) the aggregate principal balance of the Class ES-SR Interests plus (B) 100% of the Net Deferred Interest allocated to the Class X-P PO-1 Component of the Class X-P Certificates and (ii) the Class ES-X-2-Accrual Interest so as to cause the principal balance of the Class ES-X-2-Accrual Interest to have a principal balance equal to the sum of (A) the principal balance of the Class ES-SB Interests plus (B) 100% of the Net Deferred Interest allocated to the Class X-P PO-2 Component of the Class X-P Certificates.

(3) Prepayment Charges. Any Prepayment Charges paid on the Mortgage Loans and any Master Servicer Prepayment Charge Amounts will be allocated among the Class ES-SR and Class ES-SB Interests in proportion to their principal balances.

The following table sets forth characteristics of the Certificates, together with minimum denominations and integral multiples in excess thereof in which such Classes shall be issued (except that one Certificate of each Class of Certificates may be issuable in a different amount and, in addition, one Residual Certificate representing the Tax Matters Person Certificate may be issued in a different amount for each Class of REMIC Interest):

Class Designation	Initial Class Certificate Balance	Pass-Through Rate (per annum)	Minimum Denomination	Integral Multiples in Excess of Minimum
Class A-1	$ 560,476,000	(1)	$ 25,000.00	$1.00
Class A-2	$ 233,531,000	(1)	$ 25,000.00	$1.00
Class A-3A	$ 100,000,000	(1)	$ 25,000.00	$1.00
Class A-3B	$ 40,118,000	(1)	$ 25,000.00	$1.00
Class A-4	$ 120,000,000	(1)	$ 25,000.00	$1.00
Class A-5	$ 30,000,000	(1)	$ 25,000.00	$1.00
Class A-R	$ 100	(2)	(3)	(3)
Class X-P	$ 1,224,999,900 (4)	(5)(6)	$100,000.00(7)	$1.00
Class M-1	$ 27,562,000	(1)	$ 25,000.00	$1.00
Class M-2	$ 24,499,000	(1)	$ 25,000.00	$1.00
Class M-3	$ 9,187,000	(1)	$ 25,000.00	$1.00
Class M-4	$ 9,187,000	(1)	$ 25,000.00	$1.00
Class M-5	$ 9,187,000	(1)	$ 25,000.00	$1.00
Class M-6	$ 6,124,000	(1)	$ 25,000.00	$1.00
Class M-7	$ 6,124,000	(1)	$ 25,000.00	$1.00
Class M-8	$ 6,124,000	(1)	$ 25,000.00	$1.00
Class M-9	$ 6,124,000	(1)	$ 25,000.00	$1.00
Class M-10	$ 11,024,000	(1)	$ 25,000.00	$1.00
Class B-1	$ 8,574,000	(1)	$100,000.00	$1.00
Class B-2	$ 6,124,000	(1)	$100,000.00	$1.00
Class B-3	$ 11,034,900	(1)	$100,000.00	$1.00

(1) The Pass-Through Rate for this Class for each Interest Accrual Period related to each Distribution Date will be a per annum rate equal to the lesser of (a) LIBOR plus the applicable Pass-Through Margin for such Class and (b) the related Net Rate Cap. The Pass-Through Rates for the LIBOR Certificates for the Interest Accrual Period related to the first Distribution Date, without giving effect to the related Net Rate Cap, will be as set forth in the following table:

Class of Certificates	Initial Pass-Through Rate (%) (1)
Class A-1	5.5000
Class A-2	5.5700
Class A-3A	5.5100
Class A-3B	5.5900
Class A-4	5.5300
Class A-5	5.5600
Class M-1	5.7300
Class M-2	5.7600
Class M-3	5.7900
Class M-4	5.9700
Class M-5	6.0200
Class M-6	6.0700
Class M-7	6.8200
Class M-8	7.0700
Class M-9	7.0700
Class M-10	7.0700
Class B-1	7.0700
Class B-2	7.0700
Class B-3	7.0700

(1) Without giving effect to the Net Rate Cap.

(2) For each Interest Accrual Period for any Distribution Date, the Pass-Through Rate for the Class A-R Certificates will be the Weighted Average Adjusted Net Mortgage Rate of the Mortgage Loans. The Pass-Through Rate for the Class A-R Certificates for the Interest Accrual Period for the first Distribution Date will be 5.492% per annum.

(3) The Class A-R Certificate will be issued as two separate certificates, one with an initial Certificate Balance of $99.99 and the Tax Matters Person Certificate with an initial Certificate Balance of $0.01.

(4) The Class X-P Certificates initially will have no Class Certificate Balance and will have a notional amount equal to the aggregate Component Notional Amount of the Class X-P IO-1 and Class X-P IO-2 Components.

(5) Interest will accrue with respect to the Class X-P Certificates for the Interest Accrual Period related to each Distribution Date in an amount equal to the sum of the interest accrued on the Class X-P IO-1 and Class X-P IO-2 Components at their respective Pass-Through Rates for that Interest Accrual Period. The Class X-P Certificates will also be entitled to receive on each Distribution Date the Prepayment Charges received with respect to the Mortgage Loans during the related Prepayment Period and the Master Servicer Prepayment Charge Payment Amount for such Distribution Date.

(6) For federal income tax purposes, for each Interest Accrual Period for any Distribution Date, the Class X-P Certificates are entitled to the sum of:

A. The interest on the Class ES-SR and Class ES-X-1-Accrual Interests equal to the excess of (a) the Net Rate Cap over (b) the product of two and the weighted average interest rate of the Class ES-SR and Class ES-X-1-Accrual Interests with

each Interest (other than the Class ES-X-1-Accrual Interest) subject to a cap equal to the Pass-Through Rate of the corresponding Certificate Class and the Class ES-X-1-Accrual Interest subject to a cap of 0.00%. The amounts so calculated shall be a rate sufficient to entitle the Class X-P Certificates to all interest accrued on the Class ES-SR and Class ES-X-1 Accrual Interests less the interest accrued on the Class A Certificates. For purposes of this calculation, the Pass-Through Rate of the Class A-3A Certificates shall be increased by the Class A-3A Premium Rate.

B. The Class ES-SB and Class ES-X-2-Accrual Interests equal to the excess of (a) the Net Rate Cap over (b) the product of two and the weighted average interest rate of the Class ES-SB and Class ES-X-2-Accrual Interests with each Interest (other than the Class ES-X-2-Accrual Interest) subject to a cap equal to the Pass-Through Rate of the corresponding Certificate Class and the ES-X-2-Accrual Interest subject to a cap of 0.00%. The amounts so calculated shall be a rate sufficient to entitle the Class X-P Certificates to all interest accrued on the Class ES-SB and Class ES-X-2 Accrual Interests less the interest accrued on the Class M and Class B Certificates.

C. Any Prepayment Charges and any Master Servicer Prepayment Charge Amounts allocated to the Class ES-SR and Class ES-SB Interests.

(7) Based on the Notional Amount.

The foregoing REMIC structure is intended to cause all of the cash from the Mortgage Loans to flow through to the Master REMIC as cash flow on a REMIC regular interest, without creating any shortfall—actual or potential (other than for credit losses) to any REMIC regular interest. It is not intended that the Class A-R Certificates be entitled to any cash flow pursuant to this Agreement except as provided in Section 4.02(a)(1) hereunder.

For any purpose for which the Pass-Through Rates is calculated, the interest rate on the Mortgage Loans shall be appropriately adjusted to account for the difference between the monthly day count convention of the Mortgage Loans and the monthly day count convention of the regular interests issued by each of the REMICs. For purposes of calculating the Pass-Through Rates for each of the interests issued by REMIC, such rates shall be adjusted to equal a monthly day count convention based on a 30 day month for each Due Period and a 360-day year so that the Mortgage Loans and all regular interests will be using the same monthly day count convention.

Set forth below are designations of Classes or Components of Certificates to the categories used in this Agreement:

Accretion Directed Certificates.....	None.
Accretion Directed Components	None.
Accrual Certificates.....	None.
Accrual Components	None.
Book-Entry Certificates.....	All Classes of Certificates other than the Physical Certificates.
Class A Certificates	The Class A-1, Class A-2, Class A-3A, Class A-3B, Class A-4 and Class A-5 Certificates.
Class B Certificates	The Class B-1, Class B-2 and Class B-3 Certificates.
Class M 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 and Class M-10 Certificates.
COFI Certificates.....	None.
Combined Certificates	None.
Component Certificates.....	The Class X-P Certificates.

For purposes of calculating distributions of principal and/or interest, each Class of Component Certificates will be comprised of multiple payment components having the Designations, Initial Component Principal Balances and Component Notional Amounts, as applicable, and Pass-Through Rates set forth below:

Designation	Initial Component Principal Balance	Closing Date Component Notional Amount	Pass-Through Rate
Class X-P IO-1	N/A	$ 1,084,125,000	(1)
Class X-P IO-2	N/A	$ 140,874,900	(2)
Class X-P PO-1	$0	N/A	0%
Class X-P PO-2	$0	N/A	0%

(1) For the Interest Accrual Period for each Distribution Date, a per annum rate equal to the excess, if any, of (i) the Net Rate Cap for the Class A-1 Certificates (adjusted to a rate calculated on the basis of a 360-day year comprised of twelve 30-day months) over (ii) the

weighted average of the Pass-Through Rates of the Class A Certificates and the Class X-P PO-1 Component for that Distribution Date (weighted on the basis of the respective Class Certificate Balances of the Class A Certificates and the Component Principal Balance of the Class X-P PO-1 Component and adjusted to a rate calculated on the basis of a 360-day year comprised of twelve 30-day months). For purposes of calculating the Pass-Through Rate for the Class X-P IO-1 Component, 0.08% will be added to the Pass-Through Rate of the Class A-3A Certificates.

(2) For the Interest Accrual Period related to each Distribution Date, a per annum rate equal to the excess, if any, of (i) the Net Rate Cap for the Class A-1 Certificates (adjusted to a rate calculated on the basis of a 360-day year comprised of twelve 30-day months) over (ii) the weighted average of the Pass-Through Rates of the Subordinated Certificates and the Class X-P PO-2 Component for that Distribution Date (weighted on the basis of the respective Class Certificate Balances of the Subordinated Certificates and the Component Principal Balance of the Class X-P PO-2 Component and adjusted to a rate calculated on the basis of a 360-day year comprised of twelve 30-day months).

Components.....	The Notional Amount Components and Principal Only Components. The Components are not separately transferable from the related Class of Certificates.
Delay Certificates.	All interest-bearing Classes of Certificates other than the Non-Delay Certificates, if any.
ERISA-Restricted Certificates.....	The Offered Certificates (other than the Class A-1 Certificates and Class A-4 Certificates), the Residual Certificates, the Private Certificates and any Certificate of a Class that does not have or no longer has a rating of at least AA- or its equivalent from at least one Rating Agency.
Floating Rate Certificates.....	The LIBOR Certificates.
LIBOR Certificates.....	Class A, Class M and Class B Certificates.
Non-Delay Certificates.....	The LIBOR Certificates.
Notional Amount Certificates.....	None.
Notional Amount Components.....	Class X-P IO-1 and Class X-P IO-2 Components.
Offered Certificates..	All Classes of Certificates other than the Private Certificates.

Physical Certificates..	The Private Certificates and the Residual Certificates.
Planned Principal Classes.....	None.
Planned Principal Components	None.
Principal Only Components...	Class X-P PO-1 and Class X-P PO-2 Components.
Private Certificates..	Class B-1, Class B-2 and Class B-3 Certificates.
Rating Agencies.....	S&P and Moody's.
Regular Certificates.	All Classes of Certificates, other than the Residual Certificates.
Residual Certificates.....	The Class A-R Certificates.
Senior Certificates	Class A, Class X-P and Class A-R Certificates.
Subordinated Certificates	Class M and Class B Certificates.
Targeted Principal Classes.....	None.
Underwriter.....	Countrywide Securities Corporation.

With respect to any of the foregoing designations as to which the corresponding reference is "None," all defined terms and provisions in this Agreement relating solely to such designations shall be of no force or effect, and any calculations in this Agreement incorporating references to such designations and amounts. Defined terms and provisions in this Agreement relating to statistical rating agencies not designated above as Rating Agencies shall be of no force or effect.

ARTICLE I
DEFINITIONS

SECTION 1.01. Defined Terms.

Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

Account: Any Escrow Account, the Certificate Account, the Distribution Account, the Carryover Shortfall Reserve Fund, the Principal Reserve Fund, the Pre-Funding Account, the Capitalized Interest Account or any other account related to the Trust Fund or the Mortgage Loans.

Accretion Directed Certificates: As specified in the Preliminary Statement.

Accretion Direction Rule: Not applicable.

Accrual Amount: Not applicable.

Accrual Certificates: As specified in the Preliminary Statement.

Accrual Components: As specified in the Preliminary Statement.

Accrual Termination Date: Not applicable.

Additional Designated Information: As defined in Section 11.02.

Adjusted Mortgage Rate: As to each Mortgage Loan, and at any time, the per annum rate equal to the Mortgage Rate less the Master Servicing Fee Rate.

Adjusted Net Mortgage Rate: As to each Mortgage Loan, and at any time, the per annum rate equal to the Mortgage Rate (as of the first day of the related Due Period) less the Expense Fee Rate.

Adjusted Rate Cap: With respect to the LIBOR Certificates for any Distribution Date, the excess, if any, of the Net Rate Cap for such Distribution Date, over a fraction expressed as a percentage, the numerator of which is equal to the product of (i) a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the related Interest Accrual Period and (ii) the amount of Net Deferred Interest for the Mortgage Loans for that Distribution Date, and the denominator of which is the aggregate Stated Principal Balance of the Mortgage Loans as of the first day of the related Due Period.

With respect to the Class X-P IO-1 and Class X-P IO-2 Components for any Distribution Date, the Pass-Through Rate for such Component computed for this purpose by (A) reducing the Weighted Average Adjusted Net Mortgage Rate of the Mortgage Loans by a per annum rate equal to (i) the product of (a) the Net Deferred Interest for such Distribution Date and (b) 12, divided by (ii) the aggregate Stated Principal Balance of the Mortgage Loans as of the first day

of the Due Period for such Distribution Date and (B) computing the Pass-Through Rates of the Senior Certificates (other than the Class A-R and Class X-P Certificates) by substituting "Adjusted Rate Cap" for "Net Rate Cap" in the calculation thereof.

Adjustment Date: A date specified in each Mortgage Note as a date on which the Mortgage Rate on the related Mortgage Loan will be adjusted.

Advance: The payment required to be made by the Master Servicer with respect to any Distribution Date pursuant to Section 4.01, the amount of any such payment being equal to the aggregate of payments of principal and interest (net of the Master Servicing Fee) on the Mortgage Loans that were due in the related Due Period and not received by the Master Servicer as of the close of business on the related Determination Date, together with an amount equivalent to interest on each Mortgage Loan as to which the related Mortgaged Property is an REO Property (net of any net income on such REO Property), less the aggregate amount of any such delinquent payments that the Master Servicer has determined would constitute a Nonrecoverable Advance, if advanced.

Aggregate Supplemental Purchase Amount: With respect to any Supplemental Transfer Date, the "Aggregate Supplemental Purchase Amount" identified in the related Supplemental Transfer Agreement, which shall be an estimate of the aggregate Stated Principal Balances of the Supplemental Mortgage Loans identified in such Supplemental Transfer Agreement.

Aggregate Supplemental Transfer Amount: With respect to any Supplemental Transfer Date, the aggregate Stated Principal Balance as of the related Supplemental Cut-off Date of the Supplemental Mortgage Loans conveyed on such Supplemental Transfer Date, as listed on the revised Mortgage Loan Schedule delivered pursuant to the Supplemental Transfer Agreement; provided, however, that such amount shall not exceed the amount on deposit in the Pre-Funding Account.

Agreement: This Pooling and Servicing Agreement and all amendments or supplements to this Pooling and Servicing Agreement.

Allocable Share: As to any Distribution Date, any Class of Certificates or any interest-bearing Component thereof, the ratio that the amount calculated with respect to such Distribution Date pursuant to clause (i) of the definition of Class Optimal Interest Distribution Amount (without giving effect to any reduction of such amount pursuant to Section 4.02(d)) bears to the aggregate amount calculated with respect to such Distribution Date for each such Class of Certificates pursuant to clause (i) of the definition of Class Optimal Interest Distribution Amount (without giving effect to any reduction of such amounts pursuant to Section 4.02(d)).

Ambac: Ambac Assurance Corporation.

Ambac Contact Person: The officer designated by the Master Servicer to provide information to Ambac pursuant to Section 4.07(i).

Ambac Default: As defined in Section 4.07(i).

Amount Held for Future Distribution: As to any Distribution Date, the aggregate amount held in the Certificate Account at the close of business on the related Determination Date on account of (i) Principal Prepayments received after the related Prepayment Period and Liquidation Proceeds and Subsequent Recoveries received in the month of such Distribution Date and (ii) all Scheduled Payments due in the related Due Period.

Applicable Credit Support Percentage: As defined in Section 4.02(e).

Appraised Value: With respect to a Mortgage Loan other than a Refinancing Mortgage Loan, the lesser of (a) the value of the Mortgaged Property based upon the appraisal made at the time of the origination of such Mortgage Loan and (b) the sales price of the Mortgaged Property at the time of the origination of such Mortgage Loan. With respect to a Refinancing Mortgage Loan other than a Streamlined Documentation Mortgage Loan, the value of the Mortgaged Property based upon the appraisal made-at the time of the origination of such Refinancing Mortgage Loan. With respect to a Streamlined Documentation Mortgage Loan, (a) if the loan-to-value ratio with respect to the Original Mortgage Loan at the time of the origination thereof was 80% or less and the loan amount of the new mortgage loan is $650,000 or less, the value of the Mortgaged Property based upon the appraisal made at the time of the origination of the Original Mortgage Loan and (b) if the loan-to-value ratio with respect to the Original Mortgage Loan at the time of the origination thereof was greater than 80% or the loan amount of the new mortgage loan being originated is greater than $650,000, the value of the Mortgaged Property based upon the appraisal (which may be a drive-by appraisal) made at the time of the origination of such Streamlined Documentation Mortgage Loan.

Available Funds: As to any Distribution Date, the sum of (a) the aggregate amount held in the Certificate Account at the close of business on the related Determination Date in respect of the Mortgage Loans pursuant to Section 3.05(b) net of the Amount Held for Future Distribution, net of any Prepayment Charges and net of amounts permitted to be withdrawn from the Certificate Account pursuant to clauses (i) – (viii), inclusive, of Section 3.08(a) and amounts permitted to be withdrawn from the Distribution Account pursuant to clauses (i) - (v), inclusive, of Section 3.08(b), (b) the amount of the related Advance and (c) in connection with Defective Mortgage Loans, as applicable, the aggregate of the Purchase Prices and Substitution Adjustment Amounts deposited on the related Distribution Account Deposit Date, (d) on each Funding Period Distribution Date, the amount, if any, transferred from the Capitalized Interest Account in respect of the applicable Capitalized Interest Requirement and (e) with respect to the first Distribution Date after the end of the Funding Period, amounts remaining on deposit in the Pre-Funding Account as of the end of the Funding Period. The Holders of the Class X-P Certificates will be entitled to all Prepayment Charges received on the Mortgage Loans, and such amounts will not be available for distribution to the Holders of any other Class of Certificates.

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

Benefit Plan Opinion: As defined in Section 5.02(b).

Book-Entry Certificates: As specified in the Preliminary Statement.

Business Day: Any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the City of New York, New York, or the States of California or Texas or

the city in which the Corporate Trust Office of the Trustee is located are authorized or obligated by law or executive order to be closed.

Carryover Shortfall Amount: For any Class of LIBOR Certificates and any Distribution Date, the sum of (a) the excess, if any, of (i) the amount of interest such Class of Certificates would have been entitled to receive on such Distribution Date pursuant to clause (i) of the definition of Class Optimal Interest Distribution Amount (prior to any reductions pursuant to Section 4.02(d) and any reduction due to the allocation of Net Deferred Interest) had the applicable Pass-Through Rate not been limited to the related Net Rate Cap, over (ii) the amount of interest such Class of Certificates is entitled to receive on such Distribution Date pursuant to clause (i) of the definition of Class Optimal Interest Distribution Amount (prior to any reductions pursuant to Section 4.02(d) and any reduction due to the allocation of Net Deferred Interest) and (b) with respect to each Class of LIBOR Certificates (other than the Class B Certificates), the unpaid portion of any such excess from prior Distribution Dates (and interest accrued thereon at the then applicable Pass-Through Rate on such Class of Certificates, without giving effect to the Net Rate Cap).

Carryover Shortfall Reserve Fund: The separate fund created and initially maintained by the Trustee pursuant to Section 3.05(g) in the name of the Trustee for the benefit of the Holders of the LIBOR Certificates and the Class X-P Certificates and designated "The Bank of New York in trust for registered holders of CWALT, Inc., Alternative Loan Trust 2006-OA19, Mortgage Pass-Through Certificates, Series 2006-OA19." Funds in the Carryover Shortfall Reserve Fund shall be held in trust for the Holders of the LIBOR Certificates and the Class X-P Certificates for the uses and purposes set forth in this Agreement.

Capitalized Interest Account: The separate Eligible Account designated as such and created and maintained by the Trustee pursuant to Section 3.05(h) hereof. The Capitalized Interest Account shall be treated as an "outside reserve fund" under applicable Treasury regulations and shall not be part of any REMIC. Except as provided in Section 3.05(h) hereof, any investment earnings on the amounts on deposit in the Capitalized Interest Account shall be treated as owned by the Depositor and will be taxable to the Depositor.

Capitalized Interest Requirement: With respect to each Funding Period Distribution Date, the excess, if any, of (a) the sum of (1) the amount calculated pursuant to clause (i) of the definition of Class Optimal Interest Distribution Amount for each Class of Certificates for such Distribution Date (without giving effect to the Net Rate Cap in the calculation of the Pass-Through Rate for each Class of Certificates), plus (2) the Trustee Fee, over (b) with respect to each Mortgage Loan, (1) 1/12 of the product of the related Adjusted Mortgage Rate and the related Stated Principal Balance as of the related Due Date (prior to giving effect to any Scheduled Payment due on such Mortgage Loan on such Due Date) minus (2) any related reductions required by Section 4.02(d) hereof. On the Closing Date, the amount deposited in the Capitalized Interest Account shall be $2,779,681.

Certificate: Any one of the Certificates executed by the Trustee in substantially the forms attached to this Agreement as exhibits.

Certificate Account: The separate Eligible Account or Accounts created and maintained by the Master Servicer pursuant to Section 3.05 with a depository institution, initially

Countrywide Bank, N.A., in the name of the Master Servicer for the benefit of the Trustee on behalf of Certificateholders and designated "Countrywide Home Loans Servicing LP in trust for the registered holders of Alternative Loan Trust 2006-OA19, Mortgage Pass-Through Certificates Series 2006-OA19."

Certificate Balance: With respect to any Certificate (other than the Notional Amount Certificates) at any date, the maximum dollar amount of principal to which the Holder thereof is then entitled under this Agreement, such amount being equal to the Denomination of that Certificate (A) plus any increase in the Certificate Balance of such Certificate pursuant to Section 4.02 due to the receipt of Subsequent Recoveries (B) *minus* the sum of (i) all distributions of principal previously made with respect to that Certificate and (ii) all Realized Losses allocated to that Certificate and, in the case of any Subordinated Certificates, all other reductions in Certificate Balance previously allocated to that Certificate pursuant to Section 4.04 without duplication, and (C) *increased by* the amount of Net Deferred Interest allocated to the applicable Class or Component pursuant to Section 4.03. Exclusively for the purpose of determining any subrogation rights of Ambac arising under Section 4.07, "Certificate Balance" of the Class A-3A Certificates will not be reduced by the amount of any payment made by Ambac in respect of principal on such Certificates under the Class A-3A Policy and Ambac shall be subrogated to such amounts, except to the extent such payment has been reimbursed to Ambac pursuant to the provisions of this Agreement. With respect to the Component Certificates at any date, the maximum dollar amount of principal to which the Holder thereof is entitled under this Agreement, such amount being equal to the Component Principal Balances of the related Principal Only Components as of such date.

Certificate Owner: With respect to a Book-Entry Certificate, the Person who is the beneficial owner of such Book-Entry Certificate. For the purposes of this Agreement, in order for a Certificate Owner to enforce any of its rights under this Agreement, it shall first have to provide evidence of its beneficial ownership interest in a Certificate that is reasonably satisfactory to the Trustee, the Depositor, and/or the Master Servicer, as applicable.

Certificate Register: The register maintained pursuant to Section 5.02.

Certificateholder or Holder: The person in whose name a Certificate is registered in the Certificate Register, except that, solely for the purpose of giving any consent pursuant to this Agreement, any Certificate registered in the name of the Depositor or any affiliate of the Depositor shall be deemed not to be Outstanding and the Percentage Interest evidenced thereby shall not be taken into account in determining whether the requisite amount of Percentage Interests necessary to effect such consent has been obtained; provided, however, that if any such Person (including the Depositor) owns 100% of the Percentage Interests evidenced by a Class of Certificates, such Certificates shall be deemed to be Outstanding for purposes of any provision of this Agreement (other than the second sentence of Section 10.01) that requires the consent of the Holders of Certificates of a particular Class as a condition to the taking of any action under this Agreement. The Trustee is entitled to rely conclusively on a certification of the Depositor or any affiliate of the Depositor in determining which Certificates are registered in the name of an affiliate of the Depositor.

Certification Party: As defined in Section 11.05.

Certifying Person: As defined in Section 11.05.

Class: All Certificates bearing the same class designation as set forth in the Preliminary Statement.

Class A-3A Available Funds: With respect to any Distribution Date, all funds available under this Agreement to make distributions on the Class A-3A Certificates on such Distribution Date, other than any Insured Amounts.

Class A-3A Policy: The irrevocable Certificate Guaranty Insurance Policy No. AB1045BE, including any endorsements thereto, issued by Ambac with respect to the Class A-3A Certificates.

Class A-3A Policy Payments Account: The separate Eligible Account created and maintained by the Trustee pursuant to Section 4.07(c) in the name of the Trustee for the benefit of the Class A-3A Certificateholders and designated "The Bank of New York in trust for registered holders of Alternative Loan Trust 2006-OA19, Mortgage Pass-Through Certificates, Series 2006-OA19, Class A-3A". Funds in the Class A-3A Policy Payments Account shall be held in trust for the Class A-3A Certificateholders and Ambac for the uses and purposes set forth in this Agreement.

Class A-3A Premium: With respect to the Class A-3A Policy and any Distribution Date, an amount equal to the product of one-twelfth (1/12) of the product of (a) the Class Certificate Balance of the Class A-3 Certificates immediately prior to such Distribution Date and (b) 0.08%. The Class A-3A Premium will be computed on a 360-day year and the actual number of days elapsed during the related Interest Accrual Period

Class Certificate Balance: With respect to any Class and as to any date of determination, the aggregate of the Certificate Balances of all Certificates of such Class as of such date.

Class Interest Shortfall: As to any Distribution Date and Class or Component, the amount by which the amount described in clause (i) of the definition of Class Optimal Interest Distribution Amount for such Class or Component exceeds the amount of interest actually distributed on such Class or Component on such Distribution Date pursuant to such clause (i).

Class LT-A-R Interest: The sole class of "residual interest" in the Lower Tier REMIC.

Class Optimal Interest Distribution Amount: With respect to any Distribution Date and any interest-bearing Class or Component, the sum of (i) one month's interest accrued during the related Interest Accrual Period at the Pass-Through Rate for such Class or Component on the related Class Certificate Balance, Component Principal Balance, Notional Amount or Component Notional Amount, as applicable, as of the last day of the related Interest Accrual Period, subject to reduction as provided in Section 4.02(d) reduced by any Net Deferred Interest on the Mortgage Loans for the related Distribution Date allocated to their respective Class Certificate Balances or Component Principal Balances, as applicable, as described in Section 4.03 and (ii) any Class Unpaid Interest Amounts for such Class or Component.

Class Subordination Percentage: With respect to any Distribution Date and each Class of Subordinated Certificates, the quotient (expressed as a percentage) of (a) the Class Certificate Balance of such Class of Subordinated Certificates immediately prior to such Distribution Date, divided by (b) the aggregate of the Class Certificate Balances of all Classes of Certificates (other than the Notional Amount Certificates) immediately prior to such Distribution Date.

Class Unpaid Interest Amounts: As to any Distribution Date and Class of interest-bearing Certificates or any interest-bearing Component, the amount by which the aggregate Class Interest Shortfalls for such Class or Component on prior Distribution Dates exceeds the amount distributed on such Class or Component on prior Distribution Dates pursuant to clause (ii) of the definition of Class Optimal Interest Distribution Amount. With respect to the Class A-3A Certificates, to the extent that Ambac has paid any interest due to the Class A-3A Certificateholders, the Class Unpaid Interest Amounts that such Certificateholders would have been entitled to receive if Ambac had not paid such amounts will be paid to Ambac as subrogee for such amounts.

Closing Date: November 30, 2006.

Code: The Internal Revenue Code of 1986, including any successor or amendatory provisions.

COFI: The Monthly Weighted Average Cost of Funds Index for the Eleventh District Savings Institutions published by the Federal Home Loan Bank of San Francisco.

COFI Certificates: As specified in the Preliminary Statement.

Commission: The U.S. Securities and Exchange Commission.

Compensating Interest: As to any Distribution Date, an amount equal to one-half of the Master Servicing Fee for the related Due Period.

Component: As specified in the Preliminary Statement.

Component Certificates: As specified in the Preliminary Statement.

Component Notional Amount: With respect to the Interest Accrual Period for any Distribution Date and the Class X-P IO-1 Component, the sum of (x) the aggregate Class Certificate Balance of the Class A Certificates immediately prior to such Distribution Date and (y) the Component Principal Balance of the Class X-P PO-1 Component immediately prior to such Distribution Date.

With respect to the Interest Accrual Period for any Distribution Date and the Class X-P IO-2 Component, the sum of (x) the excess, if any, of the aggregate Stated Principal Balance of the Mortgage Loans as of the first day of the related Due Period and amounts on deposit in the Pre-Funding Account over the sum of (a) the aggregate Class Certificate Balance of the Class A and Class A-R Certificates immediately prior to such Distribution Date and (b) the aggregate Component Principal Balance of the Class X-P PO-1 and Class X-P PO-2 Components immediately prior to such Distribution Date and (y) the Component Principal Balance of the Class X-P PO-2 Component immediately prior to such Distribution Date.

Component Principal Balance: With respect to any date and any Principal Only Component, an amount equal to (i) the aggregate Net Deferred Interest allocated to the related Notional Amount Component pursuant to Section 4.03 on all prior Distribution Dates minus (ii) all amounts actually distributed as principal of such Principal Only Component and all Realized Losses applied in reduction of principal of such Principal Only Component on all prior Distribution Dates plus (iii) any increase in the Component Principal Balance of such Principal Only Component pursuant to Section 4.02 on all prior Distribution Dates due to the receipt of Subsequent Recoveries.

Coop Shares: Shares issued by a Cooperative Corporation.

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 Coop Shares and a Proprietary Lease.

Cooperative Property: The real property and improvements owned by the Cooperative Corporation, including the allocation of individual dwelling units to the holders of the Coop Shares of the Cooperative Corporation.

Cooperative Unit: A single family dwelling located in a Cooperative Property.

Corporate Trust Office: The designated office of the Trustee in the State of New York at which at any particular time its corporate trust business with respect to this Agreement shall be administered, which office at the date of the execution of this Agreement is located at 101 Barclay Street, 4 West, New York, New York 10286, Attn: Mortgage-Backed Securities Group, CWALT, Inc. Series 2006-OA19, facsimile no. (212) 815-3986, and which is the address to which notices to and correspondence with the Trustee should be directed.

Countrywide: Countrywide Home Loans, Inc., a New York corporation and its successors and assigns, in its capacity as the seller of the Countrywide Mortgage Loans to the Depositor.

Countrywide Mortgage Loans: The Mortgage Loans identified as such on the Mortgage Loan Schedule for which Countrywide is the applicable Seller.

Countrywide Servicing: Countrywide Home Loans Servicing LP, a Texas limited partnership and its successors and assigns.

Covered Certificates: Not applicable.

Cut-off Date: In the case of any Initial Mortgage Loan, the Initial Cut-off Date, and in the case of any Supplemental Mortgage Loan, the related Supplemental Cut-off Date.

Cut-off Date Pool Principal Balance: An amount equal to the sum of (x) the Initial Cut-off Date Pool Principal Balance plus (y) the amount, if any, deposited in the Pre-Funding Account on the Closing Date.

Cut-off Date Principal Balance: As to any Mortgage Loan, the Stated Principal Balance thereof as of the close of business on the applicable Cut-off Date.

Debt Service Reduction: With respect to any Mortgage Loan, a reduction by a court of competent jurisdiction in a proceeding under the Bankruptcy Code in the Scheduled Payment for such Mortgage Loan that became final and non-appealable, except such a reduction resulting from a Deficient Valuation or any reduction that results in a permanent forgiveness of principal.

Defective Mortgage Loan: Any Mortgage Loan that is required to be repurchased pursuant to Section 2.02 or 2.03.

Deferred Interest: With respect to each Mortgage Loan and Due Period, the amount of interest accrued on such Mortgage Loan at the applicable Mortgage Rate from the Due Date in the preceding Due Period to the Due Date in such Due Period that is greater than the Scheduled Payment due on such Mortgage Loan for such Due Period and that is added to the principal balance of such Mortgage Loan in accordance with the terms of the related Mortgage Note.

Deficiency Amount: With respect to each Distribution Date prior to the Last Scheduled Distribution Date for the Class A-3A Certificates, amount equal to the sum of (i) the excess, if any, of (a) the amount of current interest on the Class A-3A Certificates net of any interest shortfalls resulting from Prepayment Interest Shortfalls and any interest shortfalls resulting from the application of the Relief Act, or similar state or local laws, Carryover Shortfall Amounts, Net Interest Shortfalls, Net Deferred Interest and Debt Service Reductions over (b) the Class A-3A Available Funds for that Distribution Date, and (ii) the amount of any Realized Losses allocated to the Class A-3A Certificates on such Distribution Date (after giving effect to all distributions to be made on such Distribution Date (other than pursuant to the Class A-3A Policy)). With respect to the Last Scheduled Distribution Date for the Class A-3A Certificates, an amount equal to the sum of (i) the amount set forth in clause (i) above and (ii) the Class Certificate Balance of the Class A-3A Certificates on the Last Scheduled Distribution Date for the Class A-3A Certificates (after taking into account all distributions of Class A-3A Available Funds to be made to the Class A-3A Certificates on such Distribution Date).

Deficient Valuation: With respect to any Mortgage Loan, a valuation by a court of competent jurisdiction of the Mortgaged Property in an amount less than the then-outstanding indebtedness under the Mortgage Loan, or any reduction in the amount of principal to be paid in connection with any Scheduled Payment that results in a permanent forgiveness of principal, which valuation or reduction results from an order of such court which is final and non-appealable in a proceeding under the Bankruptcy Code.

Definitive Certificates: Any Certificate evidenced by a Physical Certificate and any Certificate issued in lieu of a Book-Entry Certificate pursuant to Section 5.02(e).

Delay Certificates: As specified in the Preliminary Statement.

Delay Delivery Certification: As defined in Section 2.02(a).

Delay Delivery Mortgage Loans: The Mortgage Loans for which all or a portion of a related Mortgage File is not delivered to the Trustee on the Closing Date or Supplemental

Transfer Date, as applicable. The number of Delay Delivery Mortgage Loans shall not exceed 50% of the aggregate number of Initial Mortgage Loans as of the Closing Date and 90% of the Supplemental Mortgage Loans conveyed on a Supplemental Transfer Date. To the extent that Countrywide Servicing shall be in possession of any Mortgage Files with respect to any Delay Delivery Mortgage Loan, until delivery of such Mortgage File to the Trustee as provided in Section 2.01, Countrywide Servicing shall hold such files as Master Servicer hereunder, as agent and in trust for the Trustee.

Deleted Mortgage Loan: As defined in Section 2.03(c).

Denomination: With respect to each Certificate, the amount set forth on the face of that Certificate as the "Initial Certificate Balance of this Certificate" or the "Initial Notional Amount of this Certificate" or, if neither of the foregoing, the Percentage Interest appearing on the face of that Certificate.

Depositor: CWALT, Inc., a Delaware corporation, or its successor in interest.

Depository: The initial Depository shall be The Depository Trust Company, the nominee of which is CEDE & Co., as the registered Holder of the Book-Entry Certificates. The Depository shall at all times be a "clearing corporation" as defined in Section 8-102(a)(5) 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: As to any Distribution Date, the 15th day of each month or, if such 15th day is not a Business Day, the preceding Business Day; provided, however, that if such 15th day or such Business Day, whichever is applicable, is less than two Business Days prior to the related Distribution Date, the Determination Date shall be the first Business Day that is two Business Days preceding such Distribution Date.

Distribution Account: The separate Eligible Account created and maintained by the Trustee pursuant to Section 3.05(d) in the name of the Trustee for the benefit of the Certificateholders and designated "The Bank of New York in trust for registered holders of Alternative Loan Trust 2006-OA19 Mortgage Pass-Through Certificates, Series 2006-OA19." Funds in the Distribution Account shall be held in trust for the Certificateholders for the uses and purposes set forth in this Agreement.

Distribution Account Deposit Date: As to any Distribution Date, 12:30 p.m. Pacific time on the Business Day immediately preceding such Distribution Date.

Distribution Date: The 20th day of each calendar month after the initial issuance of the Certificates, or if such 20th day is not a Business Day, the next succeeding Business Day commencing in December 2006.

Due Date: With respect to a Mortgage Loan, the date on which the Scheduled Payments are due on that Mortgage Loan. With respect to any Distribution Date, the first day of the month in which that Distribution Date occurs.

Due Period: With respect to any Distribution Date, the period beginning on the second day of the calendar month preceding the month in which such Distribution Date occurs and ending on the first day of the calendar month in which such Distribution Date occurs.

EDGAR: The Commission's Electronic Data Gathering, Analysis and Retrieval system.

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 debt obligations of such holding company) have the highest short-term ratings of Moody's or Fitch and one of the two highest short-term ratings of S&P, if S&P is a Rating Agency at the time any amounts are held on deposit therein, or (ii) an account or accounts in a depository institution or trust company in which such accounts are insured by the FDIC (to the limits established by the FDIC) and the uninsured deposits in which accounts are otherwise secured such that, as evidenced by an Opinion of Counsel delivered to the Trustee and to each Rating Agency, the Certificateholders have a claim with respect to the funds in such account or a perfected first priority security interest against any collateral (which shall be limited to Permitted Investments) securing such funds that is superior to claims of any other depositors or creditors of the depository institution or trust company in which such account is maintained, or (iii) a trust account or accounts maintained with (a) the trust department of a federal or state chartered depository institution or (b) a trust company, acting in its fiduciary capacity or (iv) any other account acceptable to each Rating Agency. Eligible Accounts may bear interest, and may include, if otherwise qualified under this definition, accounts maintained with the Trustee.

Eligible EPD Protected Mortgage Loan: A Mortgage Loan that (i) was originated not more than one year prior to the Closing Date or the related Supplemental Transfer Date, as applicable, (ii) was purchased by a Seller or one of its affiliates pursuant to a purchase agreement containing provisions under which the seller thereunder has become obligated to repurchase such Mortgage Loan from Countrywide due to a Scheduled Payment due on or prior to the first Scheduled Payment owing to the Trust Fund becoming delinquent and (iii) was not purchased through Countrywide Home Loan Inc.'s Correspondent Lending Division.

Eligible Repurchase Month: As defined in Section 3.11.

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: As specified in the Preliminary Statement.

Escrow Account: The Eligible Account or Accounts established and maintained pursuant to Section 3.06(a).

Event of Default: As defined in Section 7.01.

Excess Proceeds: With respect to any Liquidated Mortgage Loan, the amount, if any, by which the sum of any Liquidation Proceeds received with respect to such Mortgage Loan during the calendar month in which such Mortgage Loan became a Liquidated Mortgage Loan plus any Subsequent Recoveries received with respect to such Mortgage Loan, net of any amounts previously reimbursed to the Master Servicer as Nonrecoverable Advance(s) with respect to such Mortgage Loan pursuant to Section 3.08(a)(iii), exceeds (i) the unpaid principal balance of such Liquidated Mortgage Loan as of the Due Date in the month in which such Mortgage Loan became a Liquidated Mortgage Loan plus (ii) accrued interest at the Mortgage Rate from the Due Date as to which interest was last paid or advanced (and not reimbursed) to Certificateholders up to the Due Date applicable to the Distribution Date immediately following the calendar month during which such liquidation occurred.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Exchange Act Reports: Any reports on Form 10-D, Form 8-K and Form 10-K required to be filed by the Depositor with respect to the Trust Fund under the Exchange Act.

Expense Fee: As to each Mortgage Loan and any Distribution Date, the product of the Expense Fee Rate and its Stated Principal Balance as of that Distribution Date.

Expense Fee Rate: As to each Mortgage Loan and any date of determination, the sum of (a) the related Master Servicing Fee Rate, (b) the Trustee Fee Rate and (c) the per annum rate of the related lender paid mortgage insurance premium, if any.

FDIC: The Federal Deposit Insurance Corporation, or any successor thereto.

FHLMC: 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 to the Federal Home Loan Mortgage Corporation.

Final Certification: As defined in Section 2.02(a).

FIRREA: The Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Fitch: Fitch, Inc., or any successor thereto. If Fitch is designated as a Rating Agency in the Preliminary Statement, for purposes of Section 10.05(b) the address for notices to Fitch shall be Fitch, Inc., One State Street Plaza, New York, New York 10004, Attention: Residential Mortgage Surveillance Group, or such other address as Fitch may hereafter furnish to the Depositor and the Master Servicer.

FNMA: 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 to the Federal National Mortgage Association.

Form 10-D Disclosure Item: With respect to any Person, any material litigation or governmental proceedings pending (a) against such Person, or (b) against any of the Trust Fund,

the Depositor, the Trustee, any co-trustee, the Master Servicer or any Subservicer, if such Person has actual knowledge thereof.

Form 10-K Disclosure Item: With respect to any Person, (a) any Form 10-D Disclosure Item, and (b) any affiliations or relationships between such Person and any Item 1119 Party.

Funding Period: The period from the Closing Date until the earliest of (i) the date on which the amount on deposit in the Pre-Funding Account is less than $150,000, or (ii) December 29, 2006.

Funding Period Distribution Date: Each Distribution Date during the Funding Period and, if the Funding Period ends after the Distribution Date in a month, the immediately succeeding Distribution Date.

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

Indirect Participant: A broker, dealer, bank or other financial institution or other Person that clears through or maintains a custodial relationship with a Depository Participant.

Initial Certification: As defined in Section 2.02(a).

Initial Cut-off Date: With respect to any Initial Mortgage Loan, the later of (i) the date of origination of such Mortgage Loan and (ii) November 1, 2006.

Initial Cut-off Date Pool Principal Balance: $921,320,354.

Initial Mortgage Loan: A Mortgage Loan conveyed to the Trust Fund on the Closing Date pursuant to this Agreement as identified on the Mortgage Loan Schedule delivered to the Trustee on the Closing Date.

Insurance Policy: With respect to any Mortgage Loan included in the Trust Fund, any insurance policy, including all riders and endorsements thereto in effect, including any replacement policy or policies for any Insurance Policies.

Insurance Proceeds: Proceeds paid by an insurer pursuant to any Insurance Policy, in each case other than any amount included in such Insurance Proceeds in respect of Insured Expenses.

Insured Amounts: With respect to any Distribution Date and the Class A-3A Certificates, the Deficiency Amount for such Distribution Date.

Insured Certificates: The Class A-3A Certificates.

Insured Expenses: Expenses covered by an Insurance Policy or any other insurance policy with respect to the Mortgage Loans.

Interest Accrual Period: With respect to any Delay Certificates and any Distribution Date, the calendar month prior to the month of such Distribution Date. With respect to any Non-Delay Certificates and any Distribution Date, the period commencing on the Distribution Date in the month preceding the month in which such Distribution Date occurs (other than the first Distribution Date, for which it is the Closing Date) and ending on the day immediately preceding that Distribution Date. Interest on any Delay Certificates shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on any Non-Delay Certificates shall be calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable Interest Accrual Period.

Interest Determination Date: With respect to the LIBOR Certificates, the second Business Day preceding the commencement of each Interest Accrual Period.

Item 1119 Party: The Depositor, any Seller, the Master Servicer, the Trustee, any Subservicer, any originator identified in the Prospectus Supplement and any other material transaction party, as identified in Exhibit T hereto, as updated pursuant to Section 11.04.

Last Scheduled Distribution Date: With respect to each Class of Certificates (other than the Class A-3A Certificates), the Distribution Date occurring in February 2047, which is the Distribution Date in month following the scheduled maturity date for the latest maturing Mortgage Loan. With respect to the Class A-3A Certificates and the Class A-3A Policy, the Distribution Date occurring in January 2048, which is the Distribution Date in thirteenth month following the scheduled maturity date for the latest maturing Mortgage Loan.

Latest Possible Maturity Date: The Distribution Date following the third anniversary of the scheduled maturity date of the Mortgage Loan having the latest scheduled maturity date as of the Cut-off Date.

Lender PMI Mortgage Loan: Certain Mortgage Loans as to which the lender (rather than the Mortgagor) acquires the Primary Insurance Policy and charges the related Mortgagor an interest premium.

LIBOR: The London interbank offered rate for one-month United States dollar deposits calculated in the manner described in Section 4.08.

LIBOR Certificates: As specified in the Preliminary Statement.

Limited Exchange Act Reporting Obligations: The obligations of the Master Servicer under Section 3.16(b), Section 6.02 and Section 6.04 with respect to notice and information to be provided to the Depositor and Article XI (except Section 11.07(a)(1) and (2)).

Liquidated Mortgage Loan: With respect to any Distribution Date, a defaulted Mortgage Loan (including any REO Property) that was liquidated in the calendar month preceding the month of such Distribution Date and as to which the Master Servicer has determined (in accordance with this Agreement) that it has received all amounts it expects to receive in connection with the liquidation of such Mortgage Loan, including the final disposition of an REO Property.

Liquidation Proceeds: Amounts, including Insurance Proceeds, received in connection with the partial or complete liquidation of defaulted Mortgage Loans, whether through trustee's sale, foreclosure sale or otherwise or amounts received in connection with any condemnation or partial release of a Mortgaged Property and any other proceeds received in connection with an REO Property, less the sum of related unreimbursed Master Servicing Fees, Servicing Advances and Advances.

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

Lost Mortgage Note: Any Mortgage Note the original of which was permanently lost or destroyed and has not been replaced.

Lower Tier REMIC: As described in the Preliminary Statement.

Lower Tier REMIC Regular Interest: As described in the Preliminary Statement.

Maintenance: With respect to any Cooperative Unit, the rent paid by the Mortgagor to the Cooperative Corporation pursuant to the Proprietary Lease.

Majority in Interest: As to any Class of Regular Certificates, the Holders of Certificates of such Class evidencing, in the aggregate, at least 51% of the Percentage Interests evidenced by all Certificates of such Class.

Master REMIC: As described in the Preliminary Statement.

Master Servicer: Countrywide Servicing, a Texas limited partnership, and its successors and assigns, in its capacity as master servicer hereunder and, if a successor master servicer is appointed under this Agreement, such successor.

Master Servicer Advance Date: As to any Distribution Date, 12:30 p.m. Pacific time on the Business Day immediately preceding such Distribution Date.

Master Servicer Prepayment Charge Payment Amount: The amounts (i) payable by the Master Servicer in respect of any Prepayment Charges waived other than in accordance with the standard set forth in the first sentence of Section 3.20(a), or (ii) collected from Countrywide in respect of a remedy for the breach of the representation made by Countrywide set forth in Section 3.20(c).

Master Servicing Fee: As to each Mortgage Loan and any Distribution Date, an amount payable out of each full payment of interest received on such Mortgage Loan and equal to one-twelfth of the Master Servicing Fee Rate multiplied by the Stated Principal Balance of such Mortgage Loan as of the Due Date in the month of such Distribution Date (prior to giving effect to any Scheduled Payments due on such Mortgage Loan on such Due Date), subject to reduction as provided in Section 3.14.

Master Servicing Fee Rate: With respect to each Mortgage Loan, the rate set forth in the Mortgage Loan Schedule for such Mortgage Loan.

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

Maximum Negative Amortization: With respect to each Mortgage Loan, the percentage set forth in the related Mortgage Note as the percentage of the original principal balance of Mortgage Note, that if exceeded due to Deferred Interest, will result in a recalculation of the Scheduled Payment so that the then unpaid principal balance of the Mortgage Note will be fully amortized over the Mortgage Loan's remaining term to maturity.

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

MERS Mortgage Loan: Any Mortgage Loan registered with MERS on the MERS® System.

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

MIN: The Mortgage Identification Number for any MERS Mortgage Loan.

Minimum Mortgage Rate: With respect to each Mortgage Loan, the greater of (a) the Gross Margin set forth in the related Mortgage Note and (b) the percentage set forth in the related Mortgage Note as the minimum Mortgage Rate thereunder.

MOM Loan: Any Mortgage Loan as to which MERS is acting as mortgagee, solely as nominee for the originator of such Mortgage Loan and its successors and assigns.

Monthly Statement: The statement delivered to the Certificateholders pursuant to Section 4.06.

Moody's: Moody's Investors Service, Inc., or any successor thereto. If Moody's is designated as a Rating Agency in the Preliminary Statement, for purposes of Section 10.05(b) the address for notices to Moody's shall be Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, Attention: Residential Pass-Through Monitoring, or such other address as Moody's may hereafter furnish to the Depositor or the Master Servicer.

Mortgage: The mortgage, deed of trust or other instrument creating a first lien on an estate in fee simple or leasehold interest in real 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 delivered to the Trustee to be added to the Mortgage File pursuant to this Agreement.

Mortgage Index: As to each Mortgage Loan, the index from time to time in effect for adjustment of the Mortgage Rate as set forth as such on the related Mortgage Note.

Mortgage Loan Schedule: The list of Mortgage Loans (as from time to time amended by the Master Servicer to reflect the addition of Substitute Mortgage Loans, the addition of any Supplemental Mortgage Loans pursuant to the provisions of this Agreement and any Supplemental Transfer Agreement and the deletion of Deleted Mortgage Loans pursuant to the provisions of this Agreement) transferred to the Trustee as part of the Trust Fund and from time to time subject to this Agreement, attached to this Agreement as Schedule I, setting forth the following information with respect to each Mortgage Loan:

(i) the loan number;

(ii) the Mortgagor's name and the street address of the Mortgaged Property, including the ZIP code;

(iii) the maturity date;

(iv) the original principal balance;

(v) the Cut-off Date Principal Balance;

(vi) the first payment date of the Mortgage Loan;

(vii) the Scheduled Payment in effect as of the Cut-off Date;

(viii) the Loan-to-Value Ratio at origination;

(ix) a code indicating whether the residential dwelling at the time of origination was represented to be owner-occupied;

(x) a code indicating whether the residential dwelling is either (a) a detached or attached single family dwelling, (b) a dwelling in a de minimis PUD, (c) a condominium unit or PUD (other than a de minimis PUD), (d) a two- to four-unit residential property or (e) a Cooperative Unit;

(xi) the Mortgage Rate in effect as of the Cut-off Date;

(xii) the Master Servicing Fee Rate;

(xiii) a code indicating whether the Mortgage Loan is a Lender PMI Mortgage Loan and, in the case of any Lender PMI Mortgage Loan, a percentage representing the amount of the related interest premium charged to the borrower;

(xiv) the purpose for the Mortgage Loan;

(xv) the type of documentation program pursuant to which the Mortgage Loan was originated;

(xvi) a code indicating whether the Mortgage Loan is a Countrywide Mortgage Loan, a Park Granada Mortgage Loan, a Park Monaco Mortgage Loan or a Park Sienna Mortgage Loan;

(xvii) a code indicating whether the Mortgage Loan is a MERS Mortgage Loan; and

(xviii) with respect to each Mortgage Loan, the Gross Margin, the Mortgage Index, the Maximum Mortgage Rate, the Minimum Mortgage Rate, the Payment Adjustment Date, the Maximum Negative Amortization and the first Adjustment Date, as applicable.

Such schedule shall also set forth the total of the amounts described under (iv) and (v) above for all of the Mortgage Loans. Countrywide shall update the Mortgage Loan Schedule in connection with each Supplemental Transfer Agreement within a reasonable period of time after delivery to it of the Schedule of Supplemental Mortgage Loans attached to the related Supplemental Transfer Agreement as Schedule A thereto.

Mortgage Loans: Such of the mortgage loans transferred and assigned to the Trustee pursuant to the provisions of this Agreement as from time to time are held as a part of the Trust Fund (including any REO Property), the mortgage loans so held being identified in the Mortgage Loan Schedule, notwithstanding foreclosure or other acquisition of title of the related Mortgaged Property.

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

Mortgage Rate: The annual rate of interest borne by a Mortgage Note from time to time, net of any interest premium charged by the mortgagee to obtain or maintain any Primary Insurance Policy.

Mortgaged Property: The underlying property securing a Mortgage Loan, which, with respect to a Cooperative Loan, is the related Coop Shares and Proprietary Lease.

Mortgagor: The obligor(s) on a Mortgage Note.

MTA: The twelve-month average monthly yield on U.S. Treasury Securities adjusted to a constant maturity of one-year, as published by the Federal Reserve Board in the Federal Reserve Statistical Release "Selected Interest Rates (H.15)".

MTA Certificates: None.

National Cost of Funds Index: The National Monthly Median Cost of Funds Ratio to SAIF-Insured Institutions published by the Office of Thrift Supervision.

Net Deferred Interest: With respect to each Distribution Date, an amount equal to the excess, if any, of the Deferred Interest that accrued on the Mortgage Loans from the preceding Due Date to the Due Date related to that Distribution Date over the Principal Prepayment Amount for that Distribution Date.

Net Prepayment Interest Shortfalls: As to any Distribution Date, the amount by which the aggregate of the Prepayment Interest Shortfalls for such Distribution Date exceeds the Compensating Interest for such Distribution Date.

Net Prepayments: As to any Distribution Date, the amount equal to the excess, if any, of (i) the Principal Prepayment Amount for that Distribution Date over (ii) the aggregate amount of Deferred Interest accrued on the Mortgage Loans from the preceding Due Date to the Due Date related to that Distribution Date.

Net Rate Cap: As to any Distribution Date,

(a) for any Class of LIBOR Certificates (other than the Class A-3A Certificates), is a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to a fraction, expressed as a percentage, (1) the numerator of which is equal to the product of (A) 12 and (B) the sum of (i) the amount of interest which accrued on the Mortgage Loans in the prior calendar month (after giving effect to Principal Prepayments) at their Adjusted Net Mortgage Rates and (ii) any amounts withdrawn from the Capitalized Interest Account for such Distribution Date and (2) the denominator of which is equal to the sum of (A) the aggregate Stated Principal Balance of the Mortgage Loans as of the first day of the related Due Period, after giving effect to Principal Prepayments received during the related Prepayment Period and (B) any amounts on deposit in the Pre-funding Account;

(b) for the Class A-3A Certificates, is the per annum rate calculated in clause (i) above, minus the Class A-3A Premium Rate.

Non-Delay Certificates: As specified in the Preliminary Statement.

Nonrecoverable Advance: Any portion of an Advance previously made or proposed to be made by the Master Servicer that, in the good faith judgment of the Master Servicer, will not be ultimately recoverable by the Master Servicer from the related Mortgagor, related Liquidation Proceeds or otherwise.

Notice of Final Distribution: The notice to be provided pursuant to Section 9.02 to the effect that final distribution on any of the Certificates shall be made only upon presentation and surrender thereof.

Notional Amount: With respect to the Class X-P Certificates, an amount equal to the aggregate Component Notional Amount of its IO Components.

Notional Amount Certificates: Not applicable.

Offered Certificates: As specified in the Preliminary Statement.

Officer's Certificate: A certificate (i) in the case of the Depositor, signed by the Chairman of the Board, the Vice Chairman of the Board, the President, a Managing Director, a Vice President (however denominated), an Assistant Vice President, the Treasurer, the Secretary, or one of the Assistant Treasurers or Assistant Secretaries of the Depositor, (ii) in the case of the Master Servicer, signed by the President, an Executive Vice President, a Vice President, an Assistant Vice President, the Treasurer, or one of the Assistant Treasurers or Assistant Secretaries of Countrywide GP, Inc. (its general partner), (iii) if provided for in this Agreement, signed by a Servicing Officer, as the case may be, and delivered to the Depositor and the Trustee,

as the case may be, as required by this Agreement or (iv) in the case of any other Person, signed by an authorized officer of such Person.

Opinion of Counsel: A written opinion of counsel, who may be counsel for the Depositor, any Seller or the Master Servicer, including in-house counsel, reasonably acceptable to the Trustee; provided, however, that with respect to the interpretation or application of the REMIC Provisions, such counsel must (i) in fact be independent of the Depositor, any Seller and the Master Servicer, (ii) not have any direct financial interest in the Depositor, any Seller or the Master Servicer or in any affiliate thereof, and (iii) not be connected with the Depositor, any Seller or the Master Servicer as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

Optional Termination: The termination of the trust created under this Agreement in connection with the purchase of the Mortgage Loans pursuant to Section 9.01.

Optional Termination Date: The Distribution Date on which the Pool Stated Principal Balance is less than or equal to 5% of the Cut-off Date Pool Principal Balance of the Mortgage Loans.

Original Applicable Credit Support Percentage: With respect to each of the following Classes of Subordinated Certificates, the corresponding percentage described below, as of the Closing Date:

Subordinated Certificates	
Class M-1	11.50%
Class M-2	9.25%
Class M-3	7.25%
Class M-4	6.50%
Class M-5	5.75%
Class M-6	5.00%
Class M-7	4.50%
Class M-8	4.00%
Class M-9	3.50%
Class M-10	3.00%
Class B-1	2.10%
Class B-2	1.40%
Class B-3	0.90%

Original Mortgage Loan: The mortgage loan refinanced in connection with the origination of a Refinancing Mortgage Loan.

Original Subordinate Principal Balance: The aggregate Class Certificate Balance of the Subordinated Certificates as of the Closing Date.

OTS: The Office of Thrift Supervision.

Outstanding: With respect to the Certificates as of any date of determination, all Certificates theretofore executed and authenticated under this Agreement except:

(i) Certificates theretofore canceled by the Trustee or delivered to the Trustee for cancellation; and

(ii) Certificates in exchange for which or in lieu of which other Certificates have been executed and delivered by the Trustee pursuant to this Agreement.

Outstanding Mortgage Loan: As of any Due Date, a Mortgage Loan with a Stated Principal Balance greater than zero, which was not the subject of a Principal Prepayment in Full prior to such Due Date or during the Prepayment Period related to such Due Date and which did not become a Liquidated Mortgage Loan prior to such Due Date.

Ownership Interest: As to any Residual Certificate, any ownership 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.

Park Granada: Park Granada LLC, a Delaware limited liability company, and its successors and assigns, in its capacity as the seller of the Park Granada Mortgage Loans to the Depositor.

Park Granada Mortgage Loans: The Mortgage Loans identified as such on the Mortgage Loan Schedule for which Park Granada is the applicable Seller.

Park Monaco: Park Monaco Inc., a Delaware corporation, and its successors and assigns, in its capacity as the seller of the Park Monaco Mortgage Loans to the Depositor.

Park Monaco Mortgage Loans: The Mortgage Loans identified as such on the Mortgage Loan Schedule for which Park Monaco is the applicable Seller.

Park Sienna: Park Sienna LLC, a Delaware limited liability company, and its successors and assigns, in its capacity as the seller of the Park Sienna Mortgage Loans to the Depositor.

Park Sienna Mortgage Loans: The Mortgage Loans identified as such on the Mortgage Loan Schedule for which Park Sienna is the applicable Seller.

Pass-Through Margin: With respect to the Interest Accrual Period for any Distribution Date and each Class of LIBOR Certificates, the per annum rate indicated in the following table:

Class	Pass-Through Margin (1)	Pass-Through Margin (2)
Class A-1	0.180%	0.360%
Class A-2	0.250%	0.500%
Class A-3A	0.190%	0.380%
Class A-3B	0.270%	0.540%
Class A-4	0.210%	0.420%
Class A-5	0.240%	0.480%
Class M-1	0.410%	0.615%
Class M-2	0.440%	0.660%
Class M-3	0.470%	0.705%
Class M-4	0.650%	0.975%
Class M-5	0.700%	1.050%
Class M-6	0.750%	1.125%
Class M-7	1.500%	2.250%
Class M-8	1.750%	2.625%
Class M-9	1.750%	2.625%
Class M-10	1.750%	2.625%
Class B-1	1.750%	1.750%
Class B-2	1.750%	1.750%
Class B-3	1.750%	1.750%

(1) For the Interest Accrual Period related to any Distribution Date occurring on or prior to the first possible Optional Termination Date.

(2) For each other Interest Accrual Period.

Pass-Through Rate: For any interest-bearing Class of Certificates or Component, the per annum rate set forth or calculated in the manner described in the Preliminary Statement.

Payment Adjustment Date: For each Mortgage Loan, the date specified in the related Mortgage Note as the annual date on which the related Scheduled Payment will be adjusted.

Percentage Interest: The percentage interest evidenced thereby in distributions required to be made on the related Class, such percentage interest being set forth on the face thereof or equal to the percentage obtained by dividing the Denomination of such Certificate by the aggregate of the Denominations of all Certificates of the same Class.

Performance Certification: As defined in Section 11.05.

Permitted Investments: At any time, any one or more of the following obligations and securities:

(i) obligations of the United States or any agency thereof, provided such obligations are backed by the full faith and credit of the United States;

(ii) general obligations of or obligations guaranteed by any state of the United States or the District of Columbia receiving the highest long-term debt rating of each Rating Agency, or such lower rating as will not result in the downgrading or

withdrawal of the ratings then assigned to the Certificates by each Rating Agency (without regard to the Class A-3A Policy);

(iii) commercial or finance company paper which is then receiving the highest commercial or finance company paper rating of each Rating Agency, or such lower rating as will not result in the downgrading or withdrawal of the ratings then assigned to the Certificates by each Rating Agency (without regard to the Class A-3A Policy);

(iv) certificates of deposit, demand or time deposits, or bankers' acceptances issued by any depository institution or trust company incorporated under the laws of the United States or of any state thereof and subject to supervision and examination by federal and/or state banking authorities, provided that the commercial paper and/or long term unsecured debt obligations of such depository institution or trust company (or in the case of the principal depository institution in a holding company system, the commercial paper or long-term unsecured debt obligations of such holding company, but only if Moody's is not a Rating Agency) are then rated one of the two highest long-term and the highest short-term ratings of each Rating Agency for such securities, or such lower ratings as will not result in the downgrading or withdrawal of the rating then assigned to the Certificates by either Rating Agency (without regard to the Class A-3A Policy);

(v) repurchase obligations with respect to any security described in clauses (i) and (ii) above, in either case entered into with a depository institution or trust company (acting as principal) described in clause (iv) above;

(vi) units of a taxable money-market portfolio having the highest rating assigned by each Rating Agency (except if Fitch is a Rating Agency and has not rated the portfolio, the highest rating assigned by Moody's) and restricted to obligations issued or guaranteed by the United States of America or entities whose obligations are backed by the full faith and credit of the United States of America and repurchase agreements collateralized by such obligations; and

(vii) such other relatively risk free investments bearing interest or sold at a discount acceptable to each Rating Agency as will not result in the downgrading or withdrawal of the rating then assigned to the Certificates by either Rating Agency (without regard to the Class A-3A Policy), as evidenced by a signed writing delivered by each Rating Agency

provided, that no such instrument shall be a Permitted Investment if such instrument evidences the right to receive interest only payments with respect to the obligations underlying such instrument.

Permitted Transferee: Any person other than (i) the United States, any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing, (ii) a foreign government, International Organization or any agency or instrumentality of either of the foregoing, (iii) an organization (except certain farmers' cooperatives described in section 521 of

the Code) which is exempt from tax imposed by Chapter 1 of the Code (including the tax imposed by section 511 of the Code on unrelated business taxable income) on any excess inclusions (as defined in section 860E(c)(1) of the Code) with respect to any Residual Certificate, (iv) rural electric and telephone cooperatives described in section 1381(a)(2)(C) of the Code, (v) an "electing large partnership" as defined in section 775 of the Code, (vi) a Person that is not a citizen or resident of the United States, a corporation, partnership, or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia, or an estate or trust whose income from sources without the United States is includible in gross income for United States federal income tax purposes regardless of its connection with the conduct of a trade or business within the United States or 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 the authority to control all substantial decisions of the trust unless such Person has furnished the transferor and the Trustee with a duly completed Internal Revenue Service Form W-8ECI or any applicable successor form, and (vii) any other Person so designated by the Depositor based upon an Opinion of Counsel that the Transfer of an Ownership Interest in a Residual Certificate to such Person may cause any REMIC created under this Agreement to fail to qualify as a REMIC at any time that the Certificates are outstanding. The terms "United States," "State" and "International Organization" shall have the meanings set forth in section 7701 of the Code or successor provisions. A corporation will not be treated as an instrumentality of the United States or of any State or political subdivision thereof for these purposes if all of its activities are subject to tax and, with the exception of the Federal Home Loan Mortgage Corporation, a majority of its board of directors is not selected by such government unit.

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

Physical Certificate: As specified in the Preliminary Statement.

Planned Balance: With respect to any Planned Principal Class or Component and any Distribution Date appearing in Schedule V, the amount appearing opposite such Distribution Date for such Class or Component.

Planned Principal Classes: As specified in the Preliminary Statement.

Planned Principal Components: As specified in the Preliminary Statement.

Pool Stated Principal Balance: As to any Distribution Date, the aggregate of the Stated Principal Balances of the Mortgage Loans that were Outstanding Mortgage Loans on the Due Date in the month preceding the month of such Distribution Date and, as to any other date of determination, the aggregate of the Stated Principal Balances of the Outstanding Mortgage Loans as of such date plus the amount on deposit in the Pre-Funding Account, exclusive of any investment income included therein.

Pre-Funded Amount: The amount deposited in the Pre-Funding Account on the Closing Date, which shall equal $303,679,646.

Pre-Funding Account: The separate Eligible Account created and maintained by the Trustee pursuant to Section 3.05 in the name of the Trustee for the benefit of the Certificateholders and designated "The Bank of New York, in trust for registered holders of Alternative Loan Trust 2006-OA19, Mortgage Pass-Through Certificates, Series 2006-OA19." Funds in the Pre-Funding Account shall be held in trust for the Certificateholders for the uses and purposes set forth in this Agreement and shall not be a part of any REMIC created hereunder; provided, however, that any investment income earned from Permitted Investments made with funds in the Pre-Funding Account shall be for the account of the Depositor.

Prepayment Charge: With respect to any Mortgage Loan, the charges or premiums, if any, due in connection with a full or partial prepayment of such Mortgage Loan within the related Prepayment Charge Period in accordance with the terms thereof (other than any Master Servicer Prepayment Charge Payment Amount).

Prepayment Charge Period: With respect to any Mortgage Loan, the period of time during which a Prepayment Charge may be imposed.

Prepayment Charge Schedule: As of the Cut-off Date with respect to each Mortgage Loan, a list attached hereto as Schedule I-A (including the prepayment charge summary attached thereto), setting forth the following information with respect to each Prepayment Charge:

(i) the Mortgage Loan identifying number;

(ii) a code indicating the type of Prepayment Charge;

(iii) the state of origination of the related Mortgage Loan;

(iv) the date on which the first monthly payment was due on the related Mortgage Loan;

(v) the term of the related Prepayment Charge; and

(vi) the principal balance of the related Mortgage Loan as of the Cut-off Date.

As of the Closing Date, the Prepayment Charge Schedule shall contain the necessary information for each Mortgage Loan. The Prepayment Charge Schedule shall be amended from time to time by the Master Servicer in accordance with the provisions of this Agreement and a copy of each related amendment shall be furnished by the Master Servicer to the Class X-P Certificateholders.

Prepayment Interest Shortfall: As to any Distribution Date, any Mortgage Loan and any Principal Prepayment received during the portion of the related Prepayment Period occurring in the calendar month preceding the month of such Distribution Date, the amount, if any, by which one month's interest at the related Adjusted Mortgage Rate on such Principal Prepayment exceeds the amount of interest paid in connection with such Principal Prepayment.

Prepayment Period: As to any Distribution Date and Mortgage Loan, the period beginning on the second day of the calendar month preceding the month in which such

Distribution Date occurs and ending on the first day of the calendar month in which such Distribution Date occurs.

Primary Insurance Policy: Each policy of primary mortgage guaranty insurance or any replacement policy therefor with respect to any Mortgage Loan.

Prime Rate: The prime commercial lending rate of The Bank of New York, as publicly announced to be in effect from time to time. The Prime Rate shall be adjusted automatically, without notice, on the effective date of any change in such prime commercial lending rate. The Prime Rate is not necessarily The Bank of New York's lowest rate of interest.

Principal Amount: As to any Distribution Date, the sum of (a) the principal portion of each Scheduled Payment (without giving effect to any reductions thereof caused by any Debt Service Reductions or Deficient Valuations) due on each Mortgage Loan (other than a Liquidated Mortgage Loan) during the related Due Period, (b) the principal portion of the Purchase Price of each Mortgage Loan that was repurchased by a Seller or purchased by the Master Servicer pursuant to this Agreement as of such Distribution Date, (c) the Substitution Adjustment Amount in connection with any Deleted Mortgage Loan received with respect to such Distribution Date, (d) any Insurance Proceeds or Liquidation Proceeds allocable to recoveries of principal of Mortgage Loans that are not yet Liquidated Mortgage Loans received during the calendar month preceding the month of such Distribution Date, (e) with respect to each Mortgage Loan that became a Liquidated Mortgage Loan during the calendar month preceding the month of such Distribution Date, the amount of the Net Liquidation Proceeds allocable to principal received during the calendar month preceding the month of such Distribution Date with respect to such Mortgage Loan and (f) the Net Prepayments for such Distribution Date.

Principal Prepayment: Any payment of principal by a Mortgagor on a Mortgage Loan that is received in advance of its scheduled Due Date and is not accompanied by an amount representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment. Partial Principal Prepayments shall be applied by the Master Servicer in accordance with the terms of the related Mortgage Note.

Principal Prepayment Amount: As to any Distribution Date, an amount equal to the sum of all voluntary Principal Prepayments received during the related Prepayment Period and the amount of any Subsequent Recoveries received in the prior calendar month.

Principal Prepayment in Full: Any Principal Prepayment made by a Mortgagor of the entire principal balance of a Mortgage Loan.

Private Certificate: As specified in the Preliminary Statement.

Pro Rata Share: As to any Distribution Date, the Subordinated Principal Distribution Amount and any Class of Subordinated Certificates, the portion of the Subordinated Principal Distribution Amount allocable to such Class, equal to the product of the Subordinated Principal Distribution Amount on such Distribution Date and a fraction, the numerator of which is the related Class Certificate Balance thereof and the denominator of which is the aggregate of the Class Certificate Balances of the Subordinated Certificates.

Proprietary Lease: With respect to any Cooperative Unit, a lease or occupancy agreement between a Cooperative Corporation and a holder of related Coop Shares.

Prospectus: The prospectus dated November 14, 2006 generally relating to mortgage-pass through certificates to be sold by the Depositor.

Prospectus Supplement: The prospectus supplement dated November 29, 2006 relating to the Offered Certificates.

PUD: Planned Unit Development.

Purchase Price: With respect to any Mortgage Loan required to be purchased by a Seller pursuant to Section 2.02 or 2.03 of this Agreement or purchased at the option of the Master Servicer pursuant to Section 3.11, an amount equal to the sum of (i) 100% of the unpaid principal balance of the Mortgage Loan on the date of such purchase, (ii) accrued interest thereon at the applicable Mortgage Rate (or at the applicable Adjusted Mortgage Rate if (x) the purchaser is the Master Servicer or (y) if the purchaser is Countrywide and Countrywide is an affiliate of the Master Servicer) from the date through which interest was last paid by the Mortgagor to the Due Date in the month in which the Purchase Price is to be distributed to Certificateholders and (iii) costs and damages incurred by the Trust Fund in connection with a repurchase pursuant to Section 2.03 of this Agreement that arises out of a violation of any predatory or abusive lending law with respect to the related Mortgage Loan.

Qualified Insurer: A mortgage guaranty insurance company duly qualified as such under the laws of the state of its principal place of business and each state having jurisdiction over such insurer in connection with the insurance policy issued by such insurer, duly authorized and licensed in such states to transact a mortgage guaranty insurance business in such states and to write the insurance provided by the insurance policy issued by it, approved as a FNMA-approved mortgage insurer and having a claims paying ability rating of at least "AA" or equivalent rating by a nationally recognized statistical rating organization. Any replacement insurer with respect to a Mortgage Loan must have at least as high a claims paying ability rating as the insurer it replaces had on the Closing Date.

Rating Agency: Each of the Rating Agencies specified in the Preliminary Statement. If any such organization or a successor is no longer in existence, "Rating Agency" shall be such nationally recognized statistical rating organization, or other comparable Person identified as a "Rating Agency" under the Underwriter's Exemption, as is designated by the Depositor, notice of which designation shall be given to the Trustee. References in this Agreement to a given rating category of a Rating Agency shall mean such rating category without giving effect to any modifiers.

Realized Loss: With respect to each Liquidated Mortgage Loan, an amount (not less than zero or more than the Stated Principal Balance of the Mortgage Loan) as of the date of such liquidation, equal to (i) the Stated Principal Balance of the Liquidated Mortgage Loan as of the date of such liquidation, plus (ii) interest at the Adjusted Net Mortgage Rate from the Due Date as to which interest was last paid or advanced (and not reimbursed) to Certificateholders up to the Due Date in the month in which Liquidation Proceeds are required to be distributed on the Stated Principal Balance of such Liquidated Mortgage Loan from time to time, minus (iii) the

Liquidation Proceeds, if any, received during the month in which such liquidation occurred, to the extent applied as recoveries of interest at the Adjusted Net Mortgage Rate and to principal of the Liquidated Mortgage Loan. With respect to each Mortgage Loan that has become the subject of a Deficient Valuation, if the principal amount due under the related Mortgage Note has been reduced, the difference between the principal balance of the Mortgage Loan outstanding immediately prior to such Deficient Valuation and the principal balance of the Mortgage Loan as reduced by the Deficient Valuation.

To the extent the Master Servicer receives Subsequent Recoveries with respect to any Mortgage Loan, the amount of Realized Losses with respect to that Mortgage Loan will be reduced by the amount of those Subsequent Recoveries.

Recognition Agreement: With respect to any Cooperative Loan, an agreement between the Cooperative Corporation and the originator of such Mortgage Loan which establishes the rights of such originator in the Cooperative Property.

Record Date: With respect to any Distribution Date, (i) in the case of the LIBOR Certificates represented by Book-Entry Certificates, the Business Day immediately preceding such Distribution Date and (ii) in the case of LIBOR Certificates represented by Definitive Certificates and in the case of all other Certificates, the close of business on the last Business Day of the month preceding the month in which such Distribution Date occurs.

Reference Bank: As defined in Section 4.08(b).

Refinancing Mortgage Loan: Any Mortgage Loan originated in connection with the refinancing of an existing mortgage loan.

Regular Certificates: As specified in the Preliminary Statement.

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.

Reimbursement Amount: With respect to any Distribution Date, the aggregate amount actually paid by Ambac to the Trustee in respect of (i) Insured Amounts for a Distribution Date and (ii) Preference Amounts for any given Business Day.

Relief Act: The Servicemembers' Civil Relief Act.

Relief Act Reductions: With respect to any Distribution Date and any Mortgage Loan as to which there has been a reduction in the amount of interest collectible thereon for the most recently ended calendar month as a result of the application of the Relief Act or any similar law, the amount, if any, by which (i) interest collectible on such Mortgage Loan for the most recently ended calendar month is less than (ii) interest accrued thereon for such month pursuant to the Mortgage Note.

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

REMIC Change of Law: Any proposed, temporary or final regulation, revenue ruling, revenue procedure or other official announcement or interpretation relating to REMICs and the REMIC Provisions issued after the Closing Date.

REMIC Provisions: 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 promulgated thereunder, as the foregoing may be in effect from time to time as well as provisions of applicable state laws.

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.

Reportable Event: Any event required to be reported on Form 8-K, and in any event, the following:

(a) entry into a definitive agreement related to the Trust Fund, the Certificates or the Mortgage Loans, or an amendment to a Transaction Document, even if the Depositor is not a party to such agreement (e.g., a servicing agreement with a servicer contemplated by Item 1108(a)(3) of Regulation AB);

(b) termination of a Transaction Document (other than by expiration of the agreement on its stated termination date or as a result of all parties completing their obligations under such agreement), even if the Depositor is not a party to such agreement (e.g., a servicing agreement with a servicer contemplated by Item 1108(a)(3) of Regulation AB);

(c) with respect to the Master Servicer only, if the Master Servicer becomes aware of any bankruptcy or receivership with respect to Countrywide, the Depositor, the Master Servicer, any Subservicer, the Trustee, any enhancement or support provider contemplated by Items 1114(b) or 1115 of Regulation AB, or any other material party contemplated by Item 1101(d)(1) of Regulation AB;

(d) with respect to the Trustee, the Master Servicer and the Depositor only, the occurrence of an early amortization, performance trigger or other event, including an Event of Default under this Agreement;

(e) the resignation, removal, replacement, substitution of the Master Servicer, any Subservicer or the Trustee;

(f) with respect to the Master Servicer only, if the Master Servicer becomes aware that (i) any material enhancement or support specified in Item 1114(a)(1) through (3) of Regulation AB or Item 1115 of Regulation AB that was previously applicable regarding one or more Classes of the Certificates has terminated other than by expiration of the contract on its stated termination date or as a result of all parties completing their obligations under such agreement; (ii) any material enhancement specified in Item 1114(a)(1) through (3) of Regulation AB or Item 1115 of Regulation AB has been added with respect to one or more Classes of the

Certificates; or (iii) any existing material enhancement or support specified in Item 1114(a)(1) through (3) of Regulation AB or Item 1115 of Regulation AB with respect to one or more Classes of the Certificates has been materially amended or modified; and

(g) with respect to the Trustee, the Master Servicer and the Depositor only, a required distribution to Holders of the Certificates is not made as of the required Distribution Date under this Agreement.

Reporting Subcontractor: With respect to the Master Servicer or the Trustee, any Subcontractor determined by such Person pursuant to Section 11.08(b) to be "participating in the servicing function" within the meaning of Item 1122 of Regulation AB. References to a Reporting Subcontractor shall refer only to the Subcontractor of such Person and shall not refer to Subcontractors generally.

Request for Release: The Request for Release submitted by the Master Servicer to the Trustee, substantially in the form of Exhibits M and N to this Agreement, as appropriate.

Required Insurance Policy: With respect to any Mortgage Loan, any insurance policy that is required to be maintained from time to time under this Agreement.

Residual Certificates: As specified in the Preliminary Statement.

Responsible Officer: When used with respect to the Trustee, any Vice President, any Assistant Vice President, the Secretary, 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 also to whom, with respect to a particular matter, such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

Restricted Classes: As defined in Section 4.02(e).

Sarbanes-Oxley Certification: As defined in Section 11.05.

Scheduled Payment: The scheduled monthly payment on a Mortgage Loan due in the related Due Period allocable to principal and/or interest on such Mortgage Loan which, unless otherwise specified in this Agreement, shall give effect to any related Debt Service Reduction and any Deficient Valuation that affects the amount of the monthly payment due on such Mortgage Loan.

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

Seller: Countrywide, Park Granada, Park Monaco or Park Sienna, as applicable.

Senior Certificates: As specified in the Preliminary Statement.

Senior Credit Support Depletion Date: The date on which the aggregate Class Certificate Balance of the Subordinated Certificates has been reduced to zero.

Senior Percentage: As to any Distribution Date, the percentage equivalent of a fraction, the numerator of which is the aggregate Class Certificate Balance of the Senior Certificates

immediately prior to such Distribution Date and the denominator of which is the aggregate of the Class Certificate Balances of all Classes of Certificates immediately prior to such Distribution Date. In no event will the Senior Percentage be greater than 100%.

Senior Prepayment Percentage: As to any Distribution Date during the ten years beginning on the first Distribution Date, 100%. The Senior Prepayment Percentage for any Distribution Date occurring on or after the tenth anniversary of the first Distribution Date will, except as provided in this Agreement, be as follows: for any Distribution Date in the first year thereafter, the Senior Percentage plus 70% of the Subordinated Percentage for such Distribution Date; for any Distribution Date in the second year thereafter, the Senior Percentage plus 60% of the Subordinated Percentage for such Distribution Date; for any Distribution Date in the third year thereafter, the Senior Percentage plus 40% of the Subordinated Percentage for such Distribution Date; for any Distribution Date in the fourth year thereafter, the Senior Percentage plus 20% of the Subordinated Percentage for such Distribution Date; and for any Distribution Date thereafter, the Senior Percentage for such Distribution Date; provided, however, that if on any Distribution Date the Senior Percentage exceeds the Senior Percentage as of the Closing Date, then the Senior Prepayment Percentage for such Distribution Date will equal 100%). Notwithstanding the foregoing, no decrease in the Senior Prepayment Percentage will occur unless both of the Senior Step Down Conditions are satisfied. Notwithstanding the foregoing, if the Two Times Test is satisfied on a Distribution Date, the Senior Prepayment Percentage will equal (x) if such Distribution Date is on or prior to the Distribution Date in November 2009, the Senior Percentage plus 50% of the Subordinated Percentage for the Distribution Date and (y) if such Distribution Date is after the Distribution Date in November 2009, the Senior Percentage.

Senior Principal Distribution Amount: As to any Distribution Date, the sum of (i) the Senior Percentage of all amounts described in clauses (a) through (d) of the definition of "Principal Amount" for such Distribution Date, (ii) with respect to any Mortgage Loan that became a Liquidated Mortgage Loan during the calendar month preceding the month of such Distribution Date, the lesser of (x) the Senior Percentage of the Stated Principal Balance of such Mortgage Loan as of the first day of the related Due Period and (y) the Senior Prepayment Percentage of the amount of the Net Liquidation Proceeds allocable to principal received on the Mortgage Loan and (iii) the Senior Prepayment Percentage of the Net Prepayments for that Distribution Date.

Senior Step Down Conditions: With respect to all of the Mortgage Loans: (i) the outstanding principal balance of Mortgage Loans delinquent 60 days or more (including Mortgage Loans in foreclosure, REO Property and Mortgage Loans the Mortgagors of which are in bankruptcy) (averaged over the preceding six month period), does not exceed 50% of the aggregate Class Certificate Balance of the Subordinated Certificates for such Distribution Date, and (ii) cumulative Realized Losses on the Mortgage Loans do not exceed: (a) commencing with the Distribution Date on the tenth anniversary of the first Distribution Date, 30% of the Original Subordinate Principal Balance, (b) commencing with the Distribution Date on the eleventh anniversary of the first Distribution Date, 35% of the Original Subordinate Principal Balance, (c) commencing with the Distribution Date on the twelfth anniversary of the first Distribution Date, 40% of the Original Subordinate Principal Balance, (d) commencing with the Distribution Date on the thirteenth anniversary of the first Distribution Date, 45% of the Original Subordinate Principal Balance and (e) commencing with the Distribution Date on the fourteenth anniversary of the first Distribution Date, 50% of the Original Subordinate Principal Balance.

Servicing Advances: All customary, reasonable and necessary "out of pocket" costs and expenses incurred in the performance by the Master Servicer of its servicing obligations, including, but not limited to, the cost of (i) the preservation, restoration and protection of a Mortgaged Property, (ii) any expenses reimbursable to the Master Servicer pursuant to Section 3.11 and any enforcement or judicial proceedings, including foreclosures, (iii) the management and liquidation of any REO Property and (iv) compliance with the obligations under Section 3.09.

Servicing Criteria: The "servicing criteria" set forth in Item 1122(d) of Regulation AB.

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

S&P: Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. If S&P is designated as a Rating Agency in the Preliminary Statement, for purposes of Section 10.05(b) the address for notices to S&P shall be Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041, Attention: Mortgage Surveillance Monitoring, or such other address as S&P may hereafter furnish to the Depositor and the Master Servicer.

Startup Day: The Closing Date.

Stated Principal Balance: As to any Mortgage Loan and Due Date, the unpaid principal balance of such Mortgage Loan as of such Due Date as specified in the amortization schedule at the time relating thereto (before any adjustment to such amortization schedule by reason of any moratorium or similar waiver or grace period), plus any Deferred Interest added to the principal balance of that Mortgage Loan pursuant to the terms of the related Mortgage Note on or prior to that Due Date, minus the sum of: (i) any previous partial Principal Prepayments and the payment of principal due on such Due Date, irrespective of any delinquency in payment by the related Mortgagor, (ii) Liquidation Proceeds allocable to principal (other than with respect to any Liquidated Mortgage Loan) received in the prior calendar month with respect to that Mortgage Loan; (iii) Principal Prepayments received through the last day of the related Prepayment Period with respect to that Mortgage Loan, and (iv) any Realized Loss previously incurred in connection with a Deficient Valuation. The Stated Principal Balance of any Mortgage Loan that becomes a Liquidated Mortgage Loan will be zero on each date following the Due Period in which such Mortgage Loan becomes a Liquidated Mortgage Loan.

Streamlined Documentation Mortgage Loan: Any Mortgage Loan originated pursuant to Countrywide's Streamlined Loan Documentation Program then in effect. For the purposes of this Agreement, a Mortgagor is eligible for a mortgage pursuant to Countrywide's Streamlined Loan Documentation Program if that Mortgagor is refinancing an existing mortgage loan that was originated or acquired by Countrywide where, among other things, the mortgage loan has not been more than 30 days delinquent in payment during the previous twelve month period.

Subcontractor: Any vendor, subcontractor or other Person that is not responsible for the overall servicing (as "servicing" is commonly understood by participants in the mortgage-backed securities market) of Mortgage Loans but performs one or more discrete functions identified in

Item 1122(d) of Regulation AB with respect to the Mortgage Loans under the direction or authority of the Master Servicer or a Subservicer or the Trustee, as the case may be.

Subordinated Certificates: As specified in the Preliminary Statement.

Subordinated Percentage: As to any Distribution Date, 100% minus the Senior Percentage for such Distribution Date.

Subordinated Prepayment Percentage: As to any Distribution Date, 100% minus the Senior Prepayment Percentage for such Distribution Date.

Subordinated Principal Distribution Amount: With respect to any Distribution Date and the Subordinated Certificates, an amount equal to the sum, not less than zero, of (i) the Subordinated Percentage of all amounts described in clauses (a) through (d) of the definition of "Principal Amount" for that Distribution Date, (ii) with respect to each Mortgage Loan that became a Liquidated Mortgage Loan during the calendar month preceding the month of such Distribution Date, the Liquidation Proceeds allocated to principal received with respect thereto remaining after application thereof pursuant to clause (ii) of the definition of "Senior Principal Distribution Amount", up to the Subordinated Percentage of the Stated Principal Balance of that Mortgage Loan as of the first day of the related Due Period, and (iii) the Subordinated Prepayment Percentage of the Net Prepayments for such Distribution Date.

Subsequent Recoveries: As to any Distribution Date, with respect to a Liquidated Mortgage Loan that resulted in a Realized Loss in a prior calendar month, unexpected amounts received by the Master Servicer (net of any related expenses permitted to be reimbursed pursuant to Section 3.08) specifically related to such Liquidated Mortgage Loan.

Subservicer: Any person to whom the Master Servicer has contracted for the servicing of all or a portion of the Mortgage Loans pursuant to Section 3.02.

Substitute Mortgage Loan: A Mortgage Loan substituted by the applicable Seller for a Deleted Mortgage Loan which must, on the date of such substitution, as confirmed in a Request for Release, substantially in the form of Exhibit M, (i) have a Stated Principal Balance, after deduction of the principal portion of the Scheduled Payment due in the month of substitution, not in excess of, and not more than 10% less than the Stated Principal Balance of the Deleted Mortgage Loan; (ii) be accruing interest at a rate no lower than and not more than 1% per annum higher than, that of the Deleted Mortgage Loan; (iii) have a Loan-to-Value Ratio no higher than that of the Deleted Mortgage Loan; (iv) have a remaining term to maturity no greater than (and not more than one year less than that of) the Deleted Mortgage Loan; (v) have a Maximum Mortgage Rate not more than 1% per annum higher or lower than, that of the Deleted Mortgage Loan; (vi) have a Minimum Mortgage Rate specified in its related mortgage note not more than 1% per annum higher or lower than the Minimum Mortgage Rate of the Deleted Mortgage Loan; (vii) have the same Mortgage Index and Mortgage Index reset period as the Deleted Mortgage Loan and a Gross Margin not more than 1% per annum higher or lower than that of the Deleted Mortgage Loan; (viii) not be a Cooperative Loan unless the Deleted Mortgage Loan was a Cooperative Loan; (ix) have the same Maximum Negative Amortization, payment cap and recast provisions as the Deleted Mortgage Loan; (x) comply with each representation and warranty set

forth in Section 2.03; and (xi) provide for a Prepayment Charge on terms substantially similar to those of the Prepayment Charge, if any, of the Deleted Mortgage Loan.

Substitution Adjustment Amount: The meaning ascribed to such term pursuant to Section 2.03.

Supplemental Cut-off Date: With respect to any Supplemental Mortgage Loan, the later of (i) the date of origination of such Mortgage Loan and (ii) the first day of the month in which the related Supplemental Transfer Date occurs.

Supplemental Mortgage Loan: Any Mortgage Loan other than an Initial Mortgage Loan conveyed to the Trust Fund pursuant to Section 2.01 hereof and to a Supplemental Transfer Agreement, which Mortgage Loan shall be listed on the revised Mortgage Loan Schedule delivered pursuant to this Agreement and on Schedule A to such Supplemental Transfer Agreement. When used with respect to a single Supplemental Transfer Date, Supplemental Mortgage Loan shall mean a Supplemental Mortgage Loan conveyed to the Trust Fund on that Supplemental Transfer Date.

Supplemental Transfer Agreement: A Supplemental Transfer Agreement substantially in the form of Exhibit P hereto, executed and delivered by the related Seller or Sellers, the Master Servicer, the Depositor and the Trustee as provided in Section 2.01 hereof.

Supplemental Transfer Date: For any Supplemental Transfer Agreement, the date the related Supplemental Mortgage Loans are transferred to the Trust Fund pursuant to the related Supplemental Transfer Agreement.

Tax Matters Person: The person designated as "tax matters person" in the manner provided under Treasury regulation § 1.860F-4(d) and Treasury regulation § 301.6231(a)(7)-1. Initially, the Tax Matters Person shall be the Trustee.

Tax Matters Person Certificate: The Class A-R Certificate with a Denomination of $0.01.

Transaction Documents: This Agreement and any other document or agreement entered into in connection with the Trust Fund, the Certificates or the Mortgage Loans.

Transfer: Any direct or indirect transfer or sale of any Ownership Interest in a Residual Certificate.

Trust Fund: The corpus of the trust created under this Agreement consisting of (i) the Mortgage Loans and all interest and principal received on or with respect thereto after the Cut-off Date to the extent not applied in computing the Cut-off Date Principal Balance of the Mortgage Loans; (ii) the Class A-3 Policy; (iii) the Certificate Account, the Carryover Shortfall Reserve Fund, the Pre-Funding Account, the Capitalized Interest Account, the Class A-3 Policy Payments Account, the Distribution Account and all amounts deposited therein pursuant to the applicable provisions of this Agreement; (iv) property that secured a Mortgage Loan and has been acquired by foreclosure, deed-in-lieu of foreclosure or otherwise; and (v) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing.

Trustee: The Bank of New York and its successors and, if a successor trustee is appointed under this Agreement, such successor.

Trustee Advance Rate: With respect to any Advance made by the Trustee pursuant to Section 4.01(b), a per annum rate of interest determined as of the date of such Advance equal to the Prime Rate in effect on such date plus 5.00%.

Trustee Fee: As to any Distribution Date, an amount equal to one-twelfth of the Trustee Fee Rate multiplied by the sum of (i) the Pool Stated Principal Balance and (ii) any amounts remaining in the Pre-Funding Account (excluding any investment earnings thereon) with respect to such Distribution Date.

Trustee Fee Rate: With respect to each Mortgage Loan, 0.009% per annum.

Two Times Test: As to any Distribution Date and the Subordinated Certificates, if (i) the Subordinated Percentage is at least 200% of the Subordinated Percentage as of the Closing Date, (ii) clause (i) of the Senior Step Down Conditions is satisfied and (iii) the cumulative Realized Losses on all the Mortgage Loans do not exceed (x) with respect to any Distribution Date on or prior to November 2009, 20% of the aggregate Class Certificate Balance of the Subordinated Certificates as of the Closing Date or (y) with respect to any Distribution Date after November 2009, 30% of the aggregate Class Certificate Balance of the Subordinated Certificates as of the Closing Date.

Underwriter: As specified in the Preliminary Statement.

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.

Voting Rights: The portion of the voting rights of all of the Certificates which is allocated to any Certificate. As of any date of determination, (a) 1% of all Voting Rights shall be allocated to each Class of Component Certificates (such Voting Rights to be allocated among the holders of Certificates of each such Class in accordance with their respective Percentage Interests), and (b) the remaining Voting Rights shall be allocated among Holders of the remaining Classes of Certificates in proportion to the Certificate Balances of their respective Certificates on such date.

Weighted Average Adjusted Net Mortgage Rate: As to any Distribution Date, the average of the Adjusted Net Mortgage Rate of each Mortgage Loan, weighted on the basis of its Stated Principal Balance as of the first day of the related Due Period.

SECTION 1.02. Certain Interpretive Principles.

All terms defined in this Agreement shall have the defined meanings when used in any certificate, agreement or other document delivered pursuant hereto unless otherwise defined therein. For purposes of this Agreement and all such certificates and other documents, unless the context otherwise requires: (a) accounting terms not otherwise defined in this Agreement, and accounting terms partly defined in this Agreement to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles; (b) the words

"hereof," "herein" and "hereunder" and words of similar import refer to this Agreement (or the certificate, agreement or other document in which they are used) as a whole and not to any particular provision of this Agreement (or such certificate, agreement or document); (c) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to this Agreement, and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (d) the term "including" means "including without limitation"; (e) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (f) references to any agreement refer to that agreement as amended from time to time; (g) references to any Person include that Person's permitted successors and assigns; and (h) a Mortgage Loan is "30 days delinquent" if any Scheduled Payment has not been received by the close of business on the day immediately preceding the Due Date on which the next Scheduled Payment is due. Similarly for "60 days delinquent," "90 days delinquent" and so on.

ARTICLE II
CONVEYANCE OF MORTGAGE LOANS; REPRESENTATIONS AND WARRANTIES

SECTION 2.01. Conveyance of Mortgage Loans

(a) Each Seller, concurrently with the execution and delivery hereof, hereby sells, transfers, assigns, sets over and otherwise conveys to the Depositor, without recourse, all its respective right, title and interest in and to the related Initial Mortgage Loans, including all interest and principal received or receivable by such Seller, on or with respect to the applicable Initial Mortgage Loans after the Initial Cut-off Date and all interest and principal payments on the related Initial Mortgage Loans received prior to the Initial Cut-off Date in respect of installments of interest and principal due thereafter, but not including payments of principal and interest due and payable on such Initial Mortgage Loans, on or before the Initial Cut-off Date. On or prior to the Closing Date, Countrywide shall deliver to the Depositor or, at the Depositor's direction, to the Trustee or other designee of the Depositor, the Mortgage File for each Mortgage Loan listed in the Mortgage Loan Schedule (except that, in the case of the Delay Delivery Mortgage Loans (which may include Countrywide Mortgage Loans, Park Granada Mortgage Loans, Park Monaco Mortgage Loans and Park Sienna Mortgage Loans), such delivery may take place within thirty (30) days following the Closing Date or twenty (20) days following the applicable Supplemental Transfer Date, as applicable). Such delivery of the Mortgage Files shall be made against payment by the Depositor of the purchase price, previously agreed to by the Sellers and Depositor, for the Mortgage Loans. With respect to any Initial Mortgage Loan that does not have a first payment date on or before the Due Date in the month of the first Distribution Date or any Supplemental Mortgage Loan that does not have a first payment date on or before the Due Date in the month after the related Supplemental Transfer Date, Countrywide shall deposit into the Distribution Account on or before the Distribution Account Deposit Date relating to the first applicable Distribution Date, an amount equal to one month's interest at the related Adjusted Mortgage Rate on the Cut-off Date Principal Balance of such Mortgage Loan.

(b) Immediately upon the conveyance of the Initial Mortgage Loans referred to in clause (a), the Depositor sells, transfers, assigns, sets over and otherwise conveys to the Trustee for the benefit of the Certificateholders, without recourse, all the right, title and interest of the Depositor in and to the Trust Fund together with the Depositor's right to require each Seller to cure any breach of a representation or warranty made herein by such Seller, or to repurchase or substitute for any affected Mortgage Loan in accordance herewith. In addition, on or prior to the Closing Date, the Depositor shall cause Ambac to deliver the Class A-3A Policy to the Trustee.

(c) In connection with the transfer and assignment set forth in clause (b) above, the Depositor has delivered or caused to be delivered to the Trustee (or, in the case of the Delay Delivery Mortgage Loans that are Initial Mortgage Loans, will deliver or cause to be delivered to the Trustee within thirty (30) days following the Closing Date and in the case of the Delay Delivery Mortgage Loans that are Supplemental Mortgage Loans, will deliver or cause to be delivered to the Trustee within twenty (20) days following the applicable Supplemental Transfer Date) for the benefit of the Certificateholders the following documents or instruments with respect to each Mortgage Loan so assigned:

(i) (A) the original Mortgage Note endorsed by manual or facsimile signature in blank in the following form: "Pay to the order of _____ without recourse," with all intervening endorsements showing a complete chain of endorsement from the originator to the Person endorsing the Mortgage Note (each such endorsement being sufficient to transfer all right, title and interest of the party so endorsing, as noteholder or assignee thereof, in and to that Mortgage Note); or

(B) with respect to any Lost Mortgage Note, a lost note affidavit from Countrywide stating that the original Mortgage Note was lost or destroyed, together with a copy of such Mortgage Note;

(ii) except as provided below and for each Mortgage Loan that is not a MERS Mortgage Loan, the original recorded Mortgage or a copy of such Mortgage, with recording information, (or, in the case of a Mortgage for which the related Mortgaged Property is located in the Commonwealth of Puerto Rico, a true copy of the Mortgage certified as such by the applicable notary) and in the case of each MERS Mortgage Loan, the original Mortgage or a copy of such mortgage, with recording information, noting the presence of the MIN of the Mortgage Loans and either language indicating that the Mortgage Loan is a MOM Loan if the Mortgage Loan is a MOM Loan or if the Mortgage Loan was not a MOM Loan at origination, the original Mortgage and the assignment thereof to MERS, with evidence of recording indicated thereon, or a copy of the Mortgage certified by the public recording office in which such Mortgage has been recorded;

(iii) in the case of each Mortgage Loan that is not a MERS Mortgage Loan, a duly executed assignment of the Mortgage or a copy of such assignment, with recording information, (which may be included in a blanket assignment or assignments), together with, except as provided below, all interim recorded assignments of such mortgage or a copy of such assignment, with recording information, (each such assignment, when duly and validly completed, to be in recordable form and sufficient to effect the assignment of and transfer to the assignee thereof, under the Mortgage to which the assignment relates); provided that, if the related Mortgage has not been returned from the applicable public recording office, such assignment of the Mortgage may exclude the information to be provided by the recording office; provided, further, that such assignment of Mortgage need not be delivered in the case of a Mortgage for which the related Mortgaged Property is located in the Commonwealth of Puerto Rico;

(iv) the original or copies of each assumption, modification, written assurance or substitution agreement, if any;

(v) except as provided below, the original or a copy of lender's title policy or a printout of the electronic equivalent and all riders thereto; and

(vi) in the case of a Cooperative Loan, the originals of the following documents or instruments:

(A) The Coop Shares, together with a stock power in blank;

(B) The executed Security Agreement;

(C) The executed Proprietary Lease;

(D) The executed Recognition Agreement;

(E) The executed UCC-1 financing statement with evidence of recording thereon which have been filed in all places required to perfect the applicable Seller's interest in the Coop Shares and the Proprietary Lease; and

(F) The executed UCC-3 financing statements 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).

In addition, in connection with the assignment of any MERS Mortgage Loan, each Seller agrees that it will cause, at the Trustee's expense, the MERS® System to indicate that the Mortgage Loans sold by such Seller to the Depositor have been assigned by that Seller to the Trustee in accordance with this Agreement (and any Supplemental Transfer Agreement, as applicable) for the benefit of the Certificateholders by including (or deleting, in the case of Mortgage Loans which are repurchased in accordance with this Agreement) in such computer files the information required by the MERS® System to identify the series of the Certificates issued in connection with such Mortgage Loans. Each Seller further agrees that it will not, and will not permit the Master Servicer to, and the Master Servicer agrees that it will not, alter the information referenced in this paragraph with respect to any Mortgage Loan sold by such Seller to the Depositor during the term of this Agreement unless and until such Mortgage Loan is repurchased in accordance with the terms of this Agreement.

In the event that in connection with any Mortgage Loan that is not a MERS Mortgage Loan the Depositor cannot deliver (a) the original recorded Mortgage or a copy of such mortgage, with recording information, or (b) all interim recorded assignments or a copy of such assignments, with recording information, or (c) the lender's title policy or a copy of lender's title policy (together with all riders thereto) satisfying the requirements of clause (ii), (iii) or (v) above, respectively, concurrently with the execution and delivery of this Agreement because such document or documents have not been returned from the applicable public recording office in the case of clause (ii) or (iii) above, or because the title policy has not been delivered to either the Master Servicer or the Depositor by the applicable title insurer in the case of clause (v) above, the Depositor shall promptly deliver to the Trustee, in the case of clause (ii) or (iii) above, such original Mortgage or a copy of such mortgage, with recording information, or such interim assignment or a copy of such assignments, with recording information, as the case may be, with evidence of recording indicated thereon upon receipt thereof from the public recording office, or a copy thereof, certified, if appropriate, by the relevant recording office, but in no event shall any such delivery of the original Mortgage and each such interim assignment or a copy thereof, certified, if appropriate, by the relevant recording office, be made later than one year following the Closing Date, or, in the case of clause (v) above, no later than 120 days following the Closing

Date; provided, however, in the event the Depositor is unable to deliver by such date each Mortgage and each such interim assignment by reason of the fact that any such documents have not been returned by the appropriate recording office, or, in the case of each such interim assignment, because the related Mortgage has not been returned by the appropriate recording office, the Depositor shall deliver such documents to the Trustee as promptly as possible upon receipt thereof and, in any event, within 720 days following the Closing Date. The Depositor shall forward or cause to be forwarded to the Trustee (a) from time to time additional original documents evidencing an assumption or modification of a Mortgage Loan and (b) any other documents required to be delivered by the Depositor or the Master Servicer to the Trustee. In the event that the original Mortgage is not delivered and in connection with the payment in full of the related Mortgage Loan and the public recording office requires the presentation of a "lost instruments affidavit and indemnity" or any equivalent document, because only a copy of the Mortgage can be delivered with the instrument of satisfaction or reconveyance, the Master Servicer shall execute and deliver or cause to be executed and delivered such a document to the public recording office. In the case where a public recording office retains the original recorded Mortgage or in the case where a Mortgage is lost after recordation in a public recording office, Countrywide shall deliver to the Trustee a copy of such Mortgage certified by such public recording office to be a true and complete copy of the original recorded Mortgage.

As promptly as practicable subsequent to such transfer and assignment, and in any event, within one hundred twenty (120) days thereafter, the Trustee shall (A) as the assignee thereof, affix the following language to each assignment of Mortgage: "CWALT Series 2006-OA19, The Bank of New York, as trustee", (B) cause such assignment to be in proper form for recording in the appropriate public office for real property records and (C) cause to be delivered for recording in the appropriate public office for real property records the assignments of the Mortgages to the Trustee, except that (i) with respect to any assignments of Mortgage as to which the Trustee has not received the information required to prepare such assignment in recordable form, the Trustee's obligation to do so and to deliver the same for such recording shall be as soon as practicable after receipt of such information and in any event within thirty (30) days after receipt thereof and (ii) the Trustee need not cause to be recorded any assignment which relates to a Mortgage Loan the Mortgaged Property and Mortgage File relating to which are located in any jurisdiction (including Puerto Rico) under the laws of which the recordation of such assignment is not necessary to protect the Trustee's and the Certificateholders' interest in the related Mortgage Loan as evidenced by an opinion of counsel delivered by Countrywide to the Trustee within 90 days of the Closing Date (which opinion may be in the form of a "survey" opinion and is not required to be delivered by counsel admitted to practice law in the jurisdiction as to which such legal opinion applies).

In the case of Mortgage Loans that have been prepaid in full as of the Closing Date, the Depositor, in lieu of delivering the above documents to the Trustee, will deposit in the Certificate Account the portion of such payment that is required to be deposited in the Certificate Account pursuant to Section 3.05.

Notwithstanding anything to the contrary in this Agreement, within thirty (30) days after the Closing Date with respect to the Initial Mortgage Loans, Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall either (i) deliver to the Depositor, or at the Depositor's direction, to the Trustee or other designee of the Depositor the Mortgage File as required pursuant to this Section 2.01 for each Delay Delivery Mortgage Loan

or (ii) either (A) substitute a Substitute Mortgage Loan for the Delay Delivery Mortgage Loan or (B) repurchase the Delay Delivery Mortgage Loan, which substitution or repurchase shall be accomplished in the manner and subject to the conditions set forth in Section 2.03 (treating each Delay Delivery Mortgage Loan as a Deleted Mortgage Loan for purposes of such Section 2.03); provided, however, that if Countrywide fails to deliver a Mortgage File for any Delay Delivery Mortgage Loan within the thirty (30) day period provided in the prior sentence, Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall use its best reasonable efforts to effect a substitution, rather than a repurchase of, such Deleted Mortgage Loan and provided further that the cure period provided for in Section 2.02 or in Section 2.03 shall not apply to the initial delivery of the Mortgage File for such Delay Delivery Mortgage Loan, but rather Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall have five (5) Business Days to cure such failure to deliver. At the end of such thirty (30) day period the Trustee shall send a Delay Delivery Certification for the Delay Delivery Mortgage Loans delivered during such thirty (30) day period in accordance with the provisions of Section 2.02.

Notwithstanding anything to the contrary in this Agreement, within twenty (20) days after a Supplemental Transfer Date with respect to all of the Supplemental Mortgage Loans sold to the Depositor on such Supplemental Transfer Date, Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall either (i) deliver to the Depositor, or at the Depositor's direction, to the Trustee or other designee of the Depositor the Mortgage File as required pursuant to this Section 2.01 for each Delay Delivery Mortgage Loan or (ii) (A) substitute a Substitute Mortgage Loan for the Delay Delivery Mortgage Loan or (B) repurchase the Delay Delivery Mortgage Loan, which substitution or repurchase shall be accomplished in the manner and subject to the conditions set forth in Section 2.03 (treating each Delay Delivery Mortgage Loan as a Deleted Mortgage Loan for purposes of such Section 2.03); provided, however, that if Countrywide fails to deliver a Mortgage File for any Delay Delivery Mortgage Loan within the twenty (20) day period provided in the prior sentence, Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall use its best reasonable efforts to effect a substitution, rather than a repurchase of, such Deleted Mortgage Loan and provided further that the cure period provided for in Section 2.02 or in Section 2.03 shall not apply to the initial delivery of the Mortgage File for such Delay Delivery Mortgage Loan, but rather Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall have five (5) Business Days to cure such failure to deliver. At the end of such twenty (20) day period the Trustee shall send a Delay Delivery Certification for the Delay Delivery Mortgage Loans delivered during such twenty (20) day period in accordance with the provisions of Section 2.02.

(d) Subject to the execution and delivery of the related Supplemental Transfer Agreement as provided in Section 2.01(e) hereof and the terms and conditions of this Agreement, each Seller sells, transfers, assigns, sets over and otherwise conveys to the Depositor, without recourse, on each Supplemental Transfer Date, with respect to each Supplemental Mortgage Loan sold by such Seller to the Depositor, all the right, title and interest of that Seller in and to the Supplemental Mortgage Loans sold by it identified in such Supplemental Transfer Agreement, including all interest and principal received and receivable by such Seller on or with respect to the related Supplemental Mortgage Loans on and after the related Supplemental Cut-off Date (to the extent not applied in computing the Cut-off Date Principal Balance thereof) or

deposited into the Certificate Account by the related Seller, other than principal and interest due on such Supplemental Mortgage Loans prior to the related Supplemental Cut-off Date.

Immediately upon the conveyance of the Supplemental Mortgage Loans referred to in the preceding paragraph, the Depositor sells, transfers, assigns, sets over and otherwise conveys to the Trustee for benefit of the Certificateholders, without recourse, all right title and interest in all of the Supplemental Mortgage Loans.

Each Seller has entered into this Agreement in consideration for the purchase of the Mortgage Loans sold by such Seller to the Depositor and has agreed to take the actions specified herein. The Depositor, concurrently with the execution and delivery of this Agreement, hereby sells, transfers, assigns and otherwise conveys to the Trustee for the use and benefit of the Certificateholders, without recourse, all right title and interest in the portion of the Trust Fund not otherwise conveyed to the Trust Fund pursuant to Sections 2.01(a) or (b).

(e) Upon five (5) Business Days written notice to the Trustee, the Depositor, the Master Servicer (if the Master Servicer is not a Seller) and the Rating Agencies, on any other Business Day during the Funding Period designated by Countrywide, Park Granada, Park Monaco and Park Sienna, if applicable, the Depositor and the Trustee shall complete, execute and deliver a Supplemental Transfer Agreement so long as no Rating Agency has provided notice that the execution and delivery of such Supplemental Transfer Agreement will result in a reduction or withdrawal of the any ratings assigned to the Certificates. After the execution and delivery of such Supplemental Transfer Agreement, on the Supplemental Transfer Date, the Trustee shall set aside in the Pre-Funding Account an amount equal to the Aggregate Supplemental Purchase Amount.

The transfer of Supplemental Mortgage Loans and the other property and rights relating to them on a Supplemental Transfer Date is subject to the satisfaction of each of the following conditions:

(i) each Supplemental Mortgage Loan conveyed on such Supplemental Transfer Date satisfies the representations and warranties applicable to it under this Agreement; provided, however, that with respect to a breach of a representation and warranty with respect to a Supplemental Mortgage Loan, the obligation under Section 2.03(c) of this Agreement of Countrywide, Park Granada, Park Monaco and Park Sienna, if applicable, to cure, repurchase or replace such Supplemental Mortgage Loan shall constitute the sole remedy against such Seller respecting such breach available to Certificateholders, the Depositor or the Trustee;

(ii) the Trustee, the Underwriter and the Rating Agencies are provided with an Opinion of Counsel or Opinions of Counsel with respect to the tax treatment of the Trust Fund, to be delivered as provided pursuant to Section 2.01(f);

(iii) the Rating Agencies and the Underwriter are provided with an Opinion of Counsel or Opinions of Counsel with respect to the validity of the conveyance of the Supplemental Mortgage Loans conveyed on such Supplemental Transfer Date, to be delivered as provided pursuant to Section 2.01(f);

(iv) the execution and delivery of such Supplemental Transfer Agreement or conveyance of the related Supplemental Mortgage Loans does not result in a reduction or withdrawal of any ratings assigned to the Certificates by the Rating Agencies;

(v) the Supplemental Mortgage Loans conveyed on such Supplemental Transfer Date were selected in a manner reasonably believed not to be adverse to the interests of the Certificateholders;

(vi) no Supplemental Mortgage Loan conveyed on such Supplemental Transfer date was 30 or more days delinquent;

(vii) following the conveyance of the Supplemental Mortgage Loans on such Supplemental Transfer Date to the Trust Fund, the characteristics of the Mortgage Loans will comply with the Pool Characteristics (including the permitted variances listed therein); provided, that for the purpose of making these calculations, the characteristics for any Initial Mortgage Loan made will be taken as of the Initial Cut-off Date and the characteristics for any Supplemental Mortgage Loan will be taken as of the related Supplemental Cut-off Date;

(viii) none of the Sellers or the Depositor shall be insolvent or shall be rendered insolvent as a result of such transfer; and

(ix) the Depositor shall have delivered to the Trustee an Officer's Certificate confirming the satisfaction of each of these conditions precedent.

(f) The Trustee shall not be required to investigate or otherwise verify compliance with these conditions, except for its own receipt of documents specified above, and shall be entitled to rely on the required Officer's Certificate.

(g) Within seven Business Days after each Supplemental Transfer Date, upon (1) delivery to the Trustee by the Depositor or Countrywide of the Opinions of Counsel referred to in Sections 2.01(e)(ii) and (iii), (2) delivery to the Trustee by Countrywide of a revised Mortgage Loan Schedule reflecting the Supplemental Mortgage Loans conveyed on such Supplemental Transfer Date and (3) delivery to the Trustee by the Depositor of an Officer's Certificate confirming the satisfaction of each of the conditions precedent set forth in this Section 2.01(f), the Trustee shall pay to each Seller the portion of the Aggregate Supplemental Transfer Amount used to purchase Supplemental Mortgage Loans from such Seller from those funds that were set aside in the Pre-Funding Account pursuant to Section 2.01(e). The positive difference, if any, between the Aggregate Supplemental Transfer Amount and the Aggregate Supplemental Purchase Amount shall be reinvested by the Trustee in the Pre-Funding Account.

(h) The Trustee shall not be required to investigate or otherwise verify compliance with the conditions set forth in the preceding paragraph, except for its own receipt of documents specified above, and shall be entitled to rely on the required Officer's Certificate.

Within thirty days after the final Supplemental Transfer Date, the Depositor shall deliver to the Trustee a letter of a nationally recognized firm of independent public accountants stating

whether or not the Supplemental Mortgage Loans conveyed on such Supplemental Transfer Date conform to the characteristics in Section 2.01(e)(vi) and (vii).

(i) Neither the Depositor nor the Trust will acquire or hold any Mortgage Loan that would violate the representations made by Countrywide set forth in clauses (50) and (51) of Schedule III-A hereto.

SECTION 2.02. Acceptance by Trustee of the Mortgage Loans.

(a) The Trustee acknowledges receipt of the documents identified in the Initial Certification in the form annexed hereto as Exhibit F-1 (an "***Initial Certification***") and declares that it holds and will hold such documents and the other documents delivered to it constituting the Mortgage Files, and that it holds or will hold such other assets as are included in the Trust Fund, in trust for the exclusive use and benefit of all present and future Certificateholders. The Trustee acknowledges that it will maintain possession of the Mortgage Notes in the State of California, unless otherwise permitted by the Rating Agencies.

The Trustee agrees to execute and deliver on the Closing Date to the Depositor, the Master Servicer and Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) an Initial Certification in the form annexed hereto as Exhibit F-1. Based on its review and examination, and only as to the documents identified in such Initial Certification, the Trustee acknowledges that such documents appear regular on their face and relate to such Initial Mortgage Loan. The Trustee shall be under no duty or obligation to inspect, review or examine said documents, instruments, certificates or other papers to determine that the same are genuine, enforceable or appropriate for the represented purpose or that they have actually been recorded in the real estate records or that they are other than what they purport to be on their face.

On or about the thirtieth (30th) day after the Closing Date, the Trustee shall deliver to the Depositor, the Master Servicer and Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) a Delay Delivery Certification with respect to the Initial Mortgage Loans in the form annexed hereto as Exhibit G-1 (a "***Delay Delivery Certification***"), with any applicable exceptions noted thereon.

Not later than 90 days after the Closing Date, the Trustee shall deliver to the Depositor, the Master Servicer and Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) a Final Certification with respect to the Initial Mortgage Loans in the form annexed hereto as Exhibit H-1 (a "***Final Certification***"), with any applicable exceptions noted thereon.

If, in the course of such review, the Trustee finds any document constituting a part of a Mortgage File that does not meet the requirements of Section 2.01, the Trustee shall list such as an exception in the Final Certification; provided, however that the Trustee shall not make any determination as to whether (i) any endorsement is sufficient to transfer all right, title and interest of the party so endorsing, as noteholder or assignee thereof, in and to that Mortgage Note or (ii) any assignment is in recordable form or is sufficient to effect the assignment of and transfer to the assignee thereof under the mortgage to which the assignment relates. Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall promptly correct

or cure such defect within 90 days from the date it was so notified of such defect and, if Countrywide does not correct or cure such defect within such period, Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall either (a) substitute for the related Mortgage Loan a Substitute Mortgage Loan, which substitution shall be accomplished in the manner and subject to the conditions set forth in Section 2.03, or (b) purchase such Mortgage Loan from the Trustee within 90 days from the date Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) was notified of such defect in writing at the Purchase Price of such Mortgage Loan; provided, however, that in no event shall such substitution or purchase occur more than 540 days from the Closing Date, except that if the substitution or purchase of a Mortgage Loan pursuant to this provision is required by reason of a delay in delivery of any documents by the appropriate recording office, and there is a dispute between either the Master Servicer or Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) and the Trustee over the location or status of the recorded document, then such substitution or purchase shall occur within 720 days from the Closing Date. The Trustee shall deliver written notice to each Rating Agency within 270 days from the Closing Date indicating each Mortgage Loan (a) that has not been returned by the appropriate recording office or (b) as to which there is a dispute as to location or status of such Mortgage Loan. Such notice shall be delivered every 90 days thereafter until the related Mortgage Loan is returned to the Trustee. Any such substitution pursuant to (a) above or purchase pursuant to (b) above shall not be effected prior to the delivery to the Trustee of the Opinion of Counsel required by Section 2.05, if any, and any substitution pursuant to (a) above shall not be effected prior to the additional delivery to the Trustee of a Request for Release substantially in the form of Exhibit N. No substitution is permitted to be made in any calendar month after the Determination Date for such month. The Purchase Price for any such Mortgage Loan shall be deposited by Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) in the Certificate Account on or prior to the Distribution Account Deposit Date for the Distribution Date in the month following the month of repurchase and, upon receipt of such deposit and certification with respect thereto in the form of Exhibit N hereto, the Trustee shall release the related Mortgage File to Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) and shall execute and deliver at Countrywide's (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) request such instruments of transfer or assignment prepared by Countrywide, in each case without recourse, as shall be necessary to vest in Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna), or its designee, the Trustee's interest in any Mortgage Loan released pursuant hereto. If pursuant to the foregoing provisions Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) repurchases a Mortgage Loan that is a MERS Mortgage Loan, the Master Servicer shall either (i) cause MERS to execute and deliver an assignment of the Mortgage in recordable form to transfer the Mortgage from MERS to Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) or its designee and shall cause such Mortgage to be removed from registration on the MERS® System in accordance with MERS' rules and regulations or (ii) cause MERS to designate on the MERS® System Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) or its designee as the beneficial holder of such Mortgage Loan.

(b) Upon delivery of the Supplemental Mortgage Loans pursuant to a Supplemental Transfer Agreement, the Trustee shall acknowledge receipt of the documents identified in any Supplemental Certification in the form annexed hereto as Exhibit F-2 and declare that it will hold

such documents and the other documents delivered to it constituting the Mortgage Files, and that it will hold such other assets as are included in the Trust Fund, in trust for the exclusive use and benefit of all present and future Certificateholders. The Trustee acknowledges that it will maintain possession of the Mortgage Notes in the State of California, unless otherwise permitted by the Rating Agencies.

The Trustee agrees to execute and deliver on the Supplemental Transfer Date to the Depositor, the Master Servicer and Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) a Supplemental Certification in the form annexed hereto as Exhibit F-2. Based on its review and examination, and only as to the documents identified in such Supplemental Certification, the Trustee shall acknowledge that such documents appear regular on their face and relate to such Supplemental Mortgage Loan. The Trustee shall be under no duty or obligation to inspect, review or examine said documents, instruments, certificates or other papers to determine that the same are genuine, enforceable or appropriate for the represented purpose or that they have actually been recorded in the real estate records or that they are other than what they purport to be on their face.

On or about the twentieth (20th) day after the Supplemental Transfer Date, the Trustee shall deliver to the Depositor, the Master Servicer and Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) a Delay Delivery Certification with respect to the Supplemental Mortgage Loans in the form annexed hereto as Exhibit G-2, with any applicable exceptions noted thereon.

Not later than 90 days after the final Supplemental Transfer Date, the Trustee shall deliver to the Depositor, the Master Servicer and Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) a Final Certification with respect to the Supplemental Mortgage Loans in the form annexed hereto as Exhibit H-2, with any applicable exceptions noted thereon.

(c) If, in the course of such review of the Mortgage Files relating to the Supplemental Mortgage Loans, the Trustee finds any document constituting a part of a Mortgage File which does not meet the requirements of Section 2.01, the Trustee shall list such as an exception in the Final Certification; provided, however that the Trustee shall not make any determination as to whether (i) any endorsement is sufficient to transfer all right, title and interest of the party so endorsing, as noteholder or assignee thereof, in and to that Mortgage Note or (ii) any assignment is in recordable form or is sufficient to effect the assignment of and transfer to the assignee thereof under the mortgage to which the assignment relates. Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall promptly correct or cure such defect within 90 days from the date it was so notified of such defect and, if Countrywide does not correct or cure such defect within such period, Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall either (a) substitute for the related Mortgage Loan a Substitute Mortgage Loan, which substitution shall be accomplished in the manner and subject to the conditions set forth in Section 2.03, or (b) purchase such Mortgage Loan from the Trustee within 90 days from the date Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) was notified of such defect in writing at the Purchase Price of such Mortgage Loan; provided, however, that in no event shall such substitution or purchase occur more than 540 days from the Closing Date, except that if the substitution or purchase of a Mortgage Loan pursuant to this provision is required by reason of a

delay in delivery of any documents by the appropriate recording office, and there is a dispute between either the Master Servicer or Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) and the Trustee over the location or status of the recorded document, then such substitution or purchase shall occur within 720 days from the Closing Date. The Trustee shall deliver written notice to each Rating Agency within 270 days from the Closing Date indicating each Mortgage Loan (a) which has not been returned by the appropriate recording office or (b) as to which there is a dispute as to location or status of such Mortgage Loan. Such notice shall be delivered every 90 days thereafter until the related Mortgage Loan is returned to the Trustee. Any such substitution pursuant to (a) above or purchase pursuant to (b) above shall not be effected prior to the delivery to the Trustee of the Opinion of Counsel required by Section 2.05 hereof, if any, and any substitution pursuant to (a) above shall not be effected prior to the additional delivery to the Trustee of a Request for Release substantially in the form of Exhibit N. No substitution is permitted to be made in any calendar month after the Determination Date for such month. The Purchase Price for any such Mortgage Loan shall be deposited by Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) in the Certificate Account on or prior to the Distribution Account Deposit Date for the Distribution Date in the month following the month of repurchase and, upon receipt of such deposit and certification with respect thereto in the form of Exhibit N hereto, the Trustee shall release the related Mortgage File to Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) and shall execute and deliver at Countrywide's (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) request such instruments of transfer or assignment prepared by Countrywide, in each case without recourse, as shall be necessary to vest in Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna), or a designee, the Trustee's interest in any Mortgage Loan released pursuant hereto. If pursuant to the foregoing provisions Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) repurchases a Supplemental Mortgage Loan that is a MERS Mortgage Loan, the Master Servicer shall either (i) cause MERS to execute and deliver an assignment of the Mortgage in recordable form to transfer the Mortgage from MERS to Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) and shall cause such Mortgage to be removed from registration on the MERS® System in accordance with MERS' rules and regulations or (ii) cause MERS to designate on the MERS® System Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) or its designee as the beneficial holder of such Mortgage Loan.

(d) The Trustee shall retain possession and custody of each Mortgage File in accordance with and subject to the terms and conditions set forth in this Agreement. The Master Servicer shall promptly deliver to the Trustee, upon the execution or receipt thereof, the originals of such other documents or instruments constituting the Mortgage File as come into the possession of the Master Servicer from time to time.

(e) It is understood and agreed that the respective obligations of each Seller to substitute for or to purchase any Mortgage Loan sold to the Depositor by it that does not meet the requirements of Section 2.01 above shall constitute the sole remedy respecting such defect available to the Trustee, the Depositor and any Certificateholder against that Seller.

SECTION 2.03. Representations, Warranties and Covenants of the Sellers and Master Servicer.

(a) Countrywide hereby makes the representations and warranties set forth in (i) Schedule II-A, Schedule II-B, Schedule II-C and Schedule II-D hereto, and by this reference incorporated herein, to the Depositor, the Master Servicer and the Trustee, as of the Closing Date, (ii) Schedule III-A hereto, and by this reference incorporated herein, to the Depositor, the Master Servicer and the Trustee, as of the Closing Date, or if so specified therein, as of the Initial Cut-off Date with respect to all of the Initial Mortgage Loans and as of the related Supplemental Cut-off Date with respect to all of the Supplemental Mortgage Loans, and (iii) Schedule III-B hereto, and by this reference incorporated herein, to the Depositor, the Master Servicer and the Trustee, as of the Closing Date, or if so specified therein, as of the Initial Cut-off Date with respect to the Initial Mortgage Loans that are Countrywide Mortgage Loans and as of the related Supplemental Cut-off Date with respect to the Supplemental Mortgage Loans that are Countrywide Mortgage Loans. Park Granada hereby makes the representations and warranties set forth in (i) Schedule II-B hereto, and by this reference incorporated herein, to the Depositor, the Master Servicer and the Trustee, as of the Closing Date and (ii) Schedule III-C hereto, and by this reference incorporated herein, to the Depositor, the Master Servicer and the Trustee, as of the Closing Date, or if so specified therein, as of the Initial Cut-off Date with respect to the Initial Mortgage Loans that are Park Granada Mortgage Loans and as of the related Supplemental Cut-off Date with respect to the Supplemental Mortgage Loans that are Park Granada Mortgage Loans. Park Monaco hereby makes the representations and warranties set forth in (i) Schedule II-C hereto, and by this reference incorporated herein, to the Depositor, the Master Servicer and the Trustee, as of the Closing Date and (ii) Schedule III-D hereto, and by this reference incorporated herein, to the Depositor, the Master Servicer and the Trustee, as of the Closing Date, or if so specified therein, as of the Initial Cut-off Date with respect to the Initial Mortgage Loans that are Park Monaco Mortgage Loans and as of the related Supplemental Cut-off Date with respect to the Supplemental Mortgage Loans that are Park Monaco Mortgage Loans. Park Sienna hereby makes the representations and warranties set forth in (i) Schedule II-D hereto, and by this reference incorporated herein, to the Depositor, the Master Servicer and the Trustee, as of the Closing Date and (ii) Schedule III-E hereto, and by this reference incorporated herein, to the Depositor, the Master Servicer and the Trustee, as of the Closing Date, or if so specified therein, as of the Initial Cut-off Date with respect to the Initial Mortgage Loans that are Park Sienna Mortgage Loans and as of the related Supplemental Cut-off Date with respect to the Supplemental Mortgage Loans that are Park Sienna Mortgage Loans.

(b) The Master Servicer hereby makes the representations and warranties set forth in Schedule IV hereto, and by this reference incorporated herein, to the Depositor and the Trustee, as of the Closing Date.

(c) Upon discovery by any of the parties hereto of a breach of a representation or warranty with respect to a Mortgage Loan made pursuant to Section 2.03(a) or a breach of a representation or warranty with respect to a Supplemental Mortgage Loan under Section 2.01(e)(i) that materially and adversely affects the interests of the Certificateholders in that Mortgage Loan, the party discovering such breach shall give prompt notice thereof to the other parties. Each Seller hereby covenants that within 90 days of the earlier of its discovery or its receipt of written notice from any party of a breach of any representation or warranty with respect to a Mortgage Loan sold by it pursuant to Section 2.03(a) and with respect to a breach of

a representation and warranty with respect to a Supplemental Mortgage Loan sold by it under Section 2.01(e)(i) which materially and adversely affects the interests of the Certificateholders in that Mortgage Loan, it shall cure such breach in all material respects, and if such breach is not so cured, shall, (i) if such 90-day period expires prior to the second anniversary of the Closing Date, remove such Mortgage Loan (a "Deleted Mortgage Loan") from the Trust Fund and substitute in its place a Substitute Mortgage Loan, in the manner and subject to the conditions set forth in this Section; or (ii) repurchase the affected Mortgage Loan or Mortgage Loans from the Trustee at the Purchase Price in the manner set forth below; provided, however, that any such substitution pursuant to (i) above shall not be effected prior to the delivery to the Trustee of the Opinion of Counsel required by Section 2.05 hereof, if any, and any such substitution pursuant to (i) above shall not be effected prior to the additional delivery to the Trustee of a Request for Release substantially in the form of Exhibit N and the Mortgage File for any such Substitute Mortgage Loan. The Seller repurchasing a Mortgage Loan pursuant to this Section 2.03(c) shall promptly reimburse the Master Servicer and the Trustee for any expenses reasonably incurred by the Master Servicer or the Trustee in respect of enforcing the remedies for such breach. With respect to the representations and warranties described in this Section which are made to the best of a Seller's knowledge, if it is discovered by either the Depositor, a Seller 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 or the interests of the Certificateholders therein, notwithstanding that Seller's lack of knowledge with respect to the substance of such representation or warranty, such inaccuracy shall be deemed a breach of the applicable representation or warranty.

With respect to any Substitute Mortgage Loan or Loans sold to the Depositor by a Seller, Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) shall deliver to the Trustee for the benefit of the Certificateholders the Mortgage Note, the Mortgage, the related assignment of the Mortgage, and such other documents and agreements as are required by Section 2.01, with the Mortgage Note endorsed and the Mortgage assigned as required by Section 2.01. No substitution is permitted to be made in any calendar month after the Determination Date for such month. Scheduled Payments due with respect to Substitute Mortgage Loans in the month of substitution shall not be part of the Trust Fund and will be retained by the related Seller on the next succeeding Distribution Date. For the month of substitution, distributions to Certificateholders will include the monthly payment due on any Deleted Mortgage Loan for such month and thereafter that Seller shall be entitled to retain all amounts received in respect of such Deleted Mortgage Loan. The Master Servicer shall amend the Mortgage Loan Schedule for the benefit of the Certificateholders to reflect the removal of such Deleted Mortgage Loan and the substitution of the Substitute Mortgage Loan or Loans and the Master Servicer shall deliver the amended Mortgage Loan Schedule to the Trustee. Upon such substitution, the Substitute Mortgage Loan or Loans shall be subject to the terms of this Agreement in all respects, and the related Seller shall be deemed to have made with respect to such Substitute Mortgage Loan or Loans, as of the date of substitution, the representations and warranties made pursuant to Section 2.03(a) with respect to such Mortgage Loan. Upon any such substitution and the deposit to the Certificate Account of the amount required to be deposited therein in connection with such substitution as described in the following paragraph, the Trustee shall release the Mortgage File held for the benefit of the Certificateholders relating to such Deleted Mortgage Loan to the related Seller and shall execute and deliver at such Seller's direction such instruments of transfer or assignment prepared by Countrywide (on its own behalf

and on behalf of Park Granada, Park Monaco and Park Sienna), in each case without recourse, as shall be necessary to vest title in that Seller, or its designee, the Trustee's interest in any Deleted Mortgage Loan substituted for pursuant to this Section 2.03.

For any month in which a Seller substitutes one or more Substitute Mortgage Loans for one or more Deleted Mortgage Loans, the Master Servicer will determine the amount (if any) by which the aggregate Stated Principal Balance of all Substitute Mortgage Loans sold to the Depositor by that Seller as of the date of substitution is less than the aggregate Stated Principal Balance of all Deleted Mortgage Loans repurchased by that Seller (after application of the scheduled principal portion of the monthly payments due in the month of substitution). The amount of such shortage (the "Substitution Adjustment Amount") plus an amount equal to the aggregate of any unreimbursed Advances with respect to such Deleted Mortgage Loans shall be deposited in the Certificate Account by Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) on or before the Distribution Account Deposit Date for the Distribution Date in the month succeeding the calendar month during which the related Mortgage Loan became required to be purchased or replaced hereunder.

In the event that a Seller shall have repurchased a Mortgage Loan, the Purchase Price therefor shall be deposited in the Certificate Account pursuant to Section 3.05 on or before the Distribution Account Deposit Date for the Distribution Date in the month following the month during which that Seller became obligated hereunder to repurchase or replace such Mortgage Loan and upon such deposit of the Purchase Price, the delivery of the Opinion of Counsel required by Section 2.05 and receipt of a Request for Release in the form of Exhibit N hereto, the Trustee shall release the related Mortgage File held for the benefit of the Certificateholders to such Person, and the Trustee shall execute and deliver at such Person's direction such instruments of transfer or assignment prepared by such Person, in each case without recourse, as shall be necessary to transfer title from the Trustee. It is understood and agreed that the obligation under this Agreement of any Person to cure, repurchase or replace any Mortgage Loan as to which a breach has occurred and is continuing shall constitute the sole remedy against such Persons respecting such breach available to Certificateholders, the Depositor or the Trustee on their behalf.

The representations and warranties made pursuant to this Section 2.03 shall survive delivery of the respective Mortgage Files to the Trustee for the benefit of the Certificateholders.

SECTION 2.04. Representations and Warranties of the Depositor as to the Mortgage Loans.

The Depositor hereby represents and warrants to the Trustee with respect to each Mortgage Loan as of the date of this Agreement or such other date set forth in this Agreement that as of the Closing Date, and following the transfer of the Mortgage Loans to it by each Seller, the Depositor had good title to the Mortgage Loans and the Mortgage Notes were subject to no offsets, defenses or counterclaims.

The Depositor hereby assigns, transfers and conveys to the Trustee all of its rights with respect to the Mortgage Loans including, without limitation, the representations and warranties of each Seller made pursuant to Section 2.03(a) hereof, together with all rights of the Depositor

to require a Seller to cure any breach thereof or to repurchase or substitute for any affected Mortgage Loan in accordance with this Agreement.

It is understood and agreed that the representations and warranties set forth in this Section 2.04 shall survive delivery of the Mortgage Files to the Trustee. Upon discovery by the Depositor or the Trustee of a breach of any of the foregoing representations and warranties set forth in this Section 2.04 (referred to herein as a "breach"), which breach materially and adversely affects the interest of the Certificateholders, the party discovering such breach shall give prompt written notice to the others and to each Rating Agency.

SECTION 2.05. Delivery of Opinion of Counsel in Connection with Substitutions.

(a) Notwithstanding any contrary provision of this Agreement, no substitution pursuant to Section 2.02 or Section 2.03 shall be made more than 90 days after the Closing Date unless Countrywide delivers to the Trustee an Opinion of Counsel, which Opinion of Counsel shall not be at the expense of either the Trustee or the Trust Fund, addressed to the Trustee, to the effect that such substitution will not (i) result in the imposition of the tax on "prohibited transactions" on the Trust Fund or contributions after the Startup Date, as defined in sections 860F(a)(2) and 860G(d) of the Code, respectively, or (ii) cause any REMIC created under this Agreement to fail to qualify as a REMIC at any time that any Certificates are outstanding.

(b) Upon discovery by the Depositor, a Seller, the Master Servicer, 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 promptly (and in any event within five (5) Business Days of discovery) give written notice thereof to the other parties. In connection therewith, the Trustee shall require Countrywide (on its own behalf and on behalf of Park Granada, Park Monaco and Park Sienna) at its option, to either (i) substitute, if the conditions in Section 2.03(c) with respect to substitutions are satisfied, a Substitute Mortgage Loan for the affected Mortgage Loan, or (ii) repurchase the affected Mortgage Loan within 90 days of such discovery in the same manner as it would a Mortgage Loan for a breach of representation or warranty made pursuant to Section 2.03. The Trustee shall reconvey to Countrywide the Mortgage Loan to be released pursuant to this Section 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 contained in Section 2.03.

SECTION 2.06. Execution and Delivery of Certificates.

The Trustee acknowledges the transfer and assignment to it of the Trust Fund and, concurrently with such transfer and assignment, has executed and delivered to or upon the order of the Depositor, the Certificates in authorized denominations evidencing directly or indirectly the entire ownership of the Trust Fund. The Trustee agrees to hold the Trust Fund and exercise the rights referred to above for the benefit of all present and future Holders of the Certificates and to perform the duties set forth in this Agreement.

SECTION 2.07. REMIC Matters.

The Preliminary Statement sets forth the designations and "latest possible maturity date" for federal income tax purposes of all interests created hereby. The "Startup Day" for purposes

of the REMIC Provisions shall be the Closing Date. The "tax matters person" with respect to each REMIC hereunder shall be the Trustee and the Trustee shall hold the Tax Matters Person Certificate. Each REMIC's fiscal year shall be the calendar year.

SECTION 2.08. Covenants of the Master Servicer.

The Master Servicer covenants to the Depositor and the Trustee as follows:

(a) the Master Servicer shall comply in the performance of its obligations under this Agreement with all reasonable rules and requirements of the insurer under each Required Insurance Policy; and

(b) no written information, certificate of an officer, statement furnished in writing or written report delivered to the Depositor, any affiliate of the Depositor or the Trustee and prepared by the Master Servicer pursuant to this Agreement will contain any untrue statement of a material fact or omit to state a material fact necessary to make such information, certificate, statement or report not misleading.

ARTICLE III
ADMINISTRATION AND SERVICING OF MORTGAGE LOANS

SECTION 3.01. Master Servicer to Service Mortgage Loans.

For and on behalf of the Certificateholders, the Master Servicer shall service and administer the Mortgage Loans in accordance with the terms of this Agreement and customary and usual standards of practice of prudent mortgage loan servicers. In connection with such servicing and administration, the Master Servicer shall have full power and authority, acting alone and/or through Subservicers as provided in Section 3.02, subject to the terms of this Agreement (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 Mortgaged Property and assumptions of the Mortgage Notes and related Mortgages (but only in the manner provided in this Agreement), (iii) to collect any Insurance Proceeds and other Liquidation Proceeds (which for the purpose of this Section 3.01 includes any Subsequent Recoveries), and (iv) to effectuate foreclosure or other conversion of the ownership of the Mortgaged Property securing any Mortgage Loan; provided that the Master Servicer shall not 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 and 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 permit any modification, waiver or amendment of any Mortgage Loan which would cause any REMIC created under this Agreement to fail to qualify as a REMIC or result in the imposition of any tax under section 860F(a) or section 860G(d) of the Code. Without limiting the generality of the foregoing, the Master Servicer, in its own name or in the name of the Depositor and the Trustee, is hereby authorized and empowered by the Depositor and the Trustee, when the Master Servicer believes it appropriate in its reasonable judgment, to execute and deliver, on behalf of the Trustee, the Depositor, the Certificateholders 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 held for the benefit of the Certificateholders. The Master Servicer shall prepare and deliver to the Depositor and/or the Trustee such documents requiring execution and delivery by either or both of them as are necessary or appropriate to enable the Master Servicer to service and administer the Mortgage Loans to the extent that the Master Servicer is not permitted to execute and deliver such documents pursuant to the preceding sentence. Upon receipt of such documents, the Depositor and/or the Trustee shall execute such documents and deliver them to the Master Servicer. The Master Servicer further is authorized and empowered by the Trustee, on behalf of the Certificateholders and the Trustee, in its own name or in the name of the Subservicer, when the Master Servicer or the Subservicer, as the case may be, believes it appropriate in its best judgment to register any Mortgage Loan on the MERS® System, or cause the removal from the registration of any Mortgage Loan on the MERS® System, to execute and deliver, on behalf of the Trustee and the Certificateholders or any of them, any and all instruments of assignment and other comparable instruments with respect to such assignment or re-recording of a Mortgage in the name of MERS, solely as nominee for the Trustee and its successors and assigns.

In accordance with the standards of the preceding paragraph, the Master Servicer shall advance or cause to be advanced funds as necessary for the purpose of effecting the payment of taxes and assessments on the Mortgaged Properties, which advances shall be reimbursable in the first instance from related collections from the Mortgagors pursuant to Section 3.06, and further as provided in Section 3.08. The costs incurred by the Master Servicer, if any, in effecting the timely payments of taxes and assessments on the Mortgaged Properties and related insurance premiums shall not, for the purpose of calculating monthly distributions to the Certificateholders, be added to the Stated Principal Balances of the related Mortgage Loans, notwithstanding that the terms of such Mortgage Loans so permit.

SECTION 3.02. Subservicing; Enforcement of the Obligations of Subservicers.

(a) The Master Servicer may arrange for the subservicing of any Mortgage Loan by a Subservicer pursuant to a subservicing agreement; provided, however, that such subservicing arrangement and the terms of the related subservicing agreement must provide for the servicing of such Mortgage Loans in a manner consistent with the servicing arrangements contemplated under this Agreement. Unless the context otherwise requires, references in this Agreement to actions taken or to be taken by the Master Servicer in servicing the Mortgage Loans include actions taken or to be taken by a Subservicer on behalf of the Master Servicer. Notwithstanding the provisions of any subservicing agreement, any of the provisions of this Agreement relating to agreements or arrangements between the Master Servicer and a Subservicer or reference to actions taken through a Subservicer or otherwise, the Master Servicer shall remain obligated and liable to the Depositor, the Trustee and the Certificateholders for the servicing and administration of the Mortgage Loans in accordance with the provisions of this Agreement without diminution of such obligation or liability by virtue of such subservicing agreements or arrangements or by virtue of indemnification from the Subservicer and to the same extent and under the same terms and conditions as if the Master Servicer alone were servicing and administering the Mortgage Loans. All actions of each Subservicer performed pursuant to the related subservicing agreement shall be performed as an agent of the Master Servicer with the same force and effect as if performed directly by the Master Servicer.

(b) For purposes of this Agreement, the Master Servicer shall be deemed to have received any collections, recoveries or payments with respect to the Mortgage Loans that are received by a Subservicer regardless of whether such payments are remitted by the Subservicer to the Master Servicer.

SECTION 3.03. Rights of the Depositor and the Trustee in Respect of the Master Servicer.

The Depositor may, but is not obligated to, enforce the obligations of the Master Servicer under this Agreement and may, but is not obligated to, perform, or cause a designee to perform, any defaulted obligation of the Master Servicer under this Agreement and in connection with any such defaulted obligation to exercise the related rights of the Master Servicer under this Agreement; provided that the Master Servicer shall not be relieved of any of its obligations under this Agreement by virtue of such performance by the Depositor or its designee. Neither the Trustee nor the Depositor shall have any responsibility or liability for any action or failure to act by the Master Servicer nor shall the Trustee or the Depositor be obligated to supervise the performance of the Master Servicer under this Agreement or otherwise.

SECTION 3.04. Trustee to Act as Master Servicer.

In the event that the Master Servicer shall for any reason no longer be the Master Servicer under this Agreement (including by reason of an Event of Default or termination by the Depositor), the Trustee or its successor shall then assume all of the rights and obligations of the Master Servicer under this Agreement arising thereafter (except that the Trustee shall not be (i) liable for losses of the Master Servicer pursuant to Section 3.09 or any acts or omissions of the predecessor Master Servicer under this Agreement), (ii) obligated to make Advances if it is prohibited from doing so by applicable law, (iii) obligated to effectuate repurchases or substitutions of Mortgage Loans under this Agreement including, but not limited to, repurchases or substitutions of Mortgage Loans pursuant to Section 2.02 or 2.03, (iv) responsible for expenses of the Master Servicer pursuant to Section 2.03 or (v) deemed to have made any representations and warranties of the Master Servicer under this Agreement). Any such assumption shall be subject to Section 7.02. If the Master Servicer shall for any reason no longer be the Master Servicer (including by reason of any Event of Default or termination by the Depositor), the Trustee or its successor shall succeed to any rights and obligations of the Master Servicer under each subservicing agreement.

The Master Servicer shall, upon request of the Trustee, but at the expense of the Master Servicer, deliver to the assuming party all documents and records relating to each subservicing agreement or substitute subservicing agreement and the Mortgage Loans then being serviced thereunder and an accounting of amounts collected or held by it and otherwise use its best efforts to effect the orderly and efficient transfer of the substitute subservicing agreement to the assuming party.

SECTION 3.05. Collection of Mortgage Loan Payments; Certificate Account; Distribution Account; Pre-Funding Account; Capitalized Interest Account; Carryover Shortfall Reserve Fund.

(a) The Master Servicer shall make reasonable efforts in accordance with the customary and usual standards of practice of prudent mortgage servicers to collect all payments called for under the terms and provisions of the Mortgage Loans to the extent such procedures shall be consistent with this Agreement and the terms and provisions of any related Required Insurance Policy. Consistent with the foregoing, the Master Servicer may in its discretion (i) waive any late payment charge or, subject to Section 3.20, any Prepayment Charge or penalty interest in connection with the prepayment of a Mortgage Loan and (ii) extend the due dates for payments due on a Mortgage Note for a period not greater than 180 days; provided, however, that the Master Servicer cannot extend the maturity of any such Mortgage Loan 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 such arrangement, the Master Servicer shall make Advances on the related Mortgage Loan in accordance with the provisions of Section 4.01 during the scheduled period in accordance with the amortization schedule of such Mortgage Loan without modification thereof by reason of such arrangements. The Master Servicer shall not be required to institute or join in litigation with respect to collection of any payment (whether under a Mortgage, Mortgage Note or otherwise or against any public or governmental authority with respect to a taking or condemnation) if it reasonably believes that enforcing the provision of the Mortgage or other instrument pursuant to which such payment is required is prohibited by applicable law.

(b) The Master Servicer shall establish and maintain a Certificate Account into which the Master Servicer shall deposit or cause to be deposited no later than two Business Days after receipt (or, if the current long-term credit rating of Countrywide is reduced below "A-" by S&P or Fitch or "A3" by Moody's, the Master Servicer shall deposit or cause to be deposited on a daily basis within one Business Day of receipt), except as otherwise specifically provided in this Agreement, the following payments and collections remitted by Subservicers or received by it in respect of Mortgage Loans subsequent to the Cut-off Date (other than in respect of principal and interest due on the Mortgage Loans on or before the Cut-off Date) and the following amounts required to be deposited under this Agreement:

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

(ii) all payments on account of interest on the Mortgage Loans, net of the related Master Servicing Fee and any lender paid mortgage insurance premiums;

(iii) all Insurance Proceeds, Subsequent Recoveries and Liquidation Proceeds, other than proceeds to be applied to the restoration or repair of a Mortgaged Property or released to the Mortgagor in accordance with the Master Servicer's normal servicing procedures;

(iv) any amount required to be deposited by the Master Servicer pursuant to Section 3.05(e) in connection with any losses on Permitted Investments;

(v) any amounts required to be deposited by the Master Servicer pursuant to Section 3.09(c) and in respect of net monthly rental income from REO Property pursuant to Section 3.11;

(vi) all Substitution Adjustment Amounts;

(vii) all Advances made by the Master Servicer pursuant to Section 4.01;

(viii) all Prepayment Charges and Master Servicer Prepayment Charge Payment Amounts; and

(ix) any other amounts required to be deposited under this Agreement.

In addition, with respect to any Mortgage Loan that is subject to a buydown agreement, on each Due Date for such Mortgage Loan, in addition to the monthly payment remitted by the Mortgagor, the Master Servicer shall cause funds to be deposited into the Certificate Account in an amount required to cause an amount of interest to be paid with respect to such Mortgage Loan equal to the amount of interest that has accrued on such Mortgage Loan from the preceding Due Date at the Mortgage Rate net of the related Master Servicing Fee.

The foregoing requirements for remittance by the Master Servicer shall be exclusive, it being understood and agreed that, without limiting the generality of the foregoing, payments in the nature late payment charges or assumption fees, if collected, need not be remitted by the Master Servicer. In the event that the Master Servicer shall remit any amount not required to be remitted, it may at any time withdraw or direct the institution maintaining the Certificate

Account to withdraw such amount from the Certificate Account, any provision in this Agreement to the contrary notwithstanding. Such withdrawal or direction may be accomplished by delivering written notice thereof to the Trustee or such other institution maintaining the Certificate Account which describes the amounts deposited in error in the Certificate Account. The Master Servicer shall maintain adequate records with respect to all withdrawals made pursuant to this Section. All funds deposited in the Certificate Account shall be held in trust for the Certificateholders until withdrawn in accordance with Section 3.08.

(c) [Reserved].

(d) The Trustee shall establish and maintain, on behalf of the Certificateholders, the Distribution Account. The Trustee shall, promptly upon receipt, deposit in the Distribution Account and retain in the Distribution Account the following:

(i) the aggregate amount remitted by the Master Servicer to the Trustee pursuant to Section 3.08(a)(ix);

(ii) any amount deposited by the Master Servicer pursuant to Section 3.05(e) in connection with any losses on Permitted Investments; and

(iii) any other amounts deposited hereunder which are required to be deposited in the Distribution Account.

In the event that the Master Servicer shall remit any amount not required to be remitted, it may at any time direct the Trustee to withdraw such amount from the Distribution Account, any provision in this Agreement to the contrary notwithstanding. Such direction may be accomplished by delivering an Officer's Certificate to the Trustee which describes the amounts deposited in error in the Distribution Account. All funds deposited in the Distribution Account shall be held by the Trustee in trust for the Certificateholders until disbursed in accordance with this Agreement or withdrawn in accordance with Section 3.08. In no event shall the Trustee incur liability for withdrawals from the Distribution Account at the direction of the Master Servicer.

(e) Each institution at which the Certificate Account, the Pre-Funding Account, the Capitalized Interest Account or the Distribution Account is maintained shall invest the funds therein as directed in writing by the Master Servicer in Permitted Investments, which shall mature not later than (i) in the case of the Certificate Account, the Pre-Funding Account or the Capitalized Interest Account the second Business Day next preceding the related Distribution Account Deposit Date (except that if such Permitted Investment is an obligation of the institution that maintains such account, then such Permitted Investment shall mature not later than the Business Day next preceding such Distribution Account Deposit Date) and (ii) in the case of the Distribution Account, the Business Day next preceding the Distribution Date (except that if such Permitted Investment is an obligation of the institution that maintains such fund or account, then such Permitted Investment shall mature not later than such Distribution Date) and, in each case, shall not be sold or disposed of prior to its maturity. All such Permitted Investments shall be made in the name of the Trustee, for the benefit of the Certificateholders. All income and gain net of any losses realized from any such investment of funds on deposit in the Certificate Account and the Distribution Account shall be for the benefit of the Master Servicer as servicing

compensation and shall be remitted to it monthly as provided in this Agreement. The amount of any realized losses in the Certificate Account or the Distribution Account incurred in any such account in respect of any such investments shall promptly be deposited by the Master Servicer in the Certificate Account or paid to the Trustee for deposit into the Distribution Account, as applicable. The amount of any losses in the Pre-Funding Account or the Capitalized Interest Account incurred in respect of any such investments shall promptly be deposited by the Depositor in the Pre-Funding Account or the Capitalized Interest Account, as applicable. All income or gain (net of any losses) realized from any such investment of funds on deposit in the Capitalized Interest Account shall be credited to the Capitalized Interest Account. The Trustee in its fiduciary capacity shall not be liable for the amount of any loss incurred in respect of any investment or lack of investment of funds held in the Certificate Account, the Pre-Funding Account, the Capitalized Interest Account or the Distribution Account and made in accordance with this Section 3.05.

(f) The Master Servicer shall give notice to the Trustee, each Seller, each Rating Agency and the Depositor of any proposed change of the location of the Certificate Account prior to any change thereof. The Trustee shall give notice to the Master Servicer, each Seller, each Rating Agency and the Depositor of any proposed change of the location of the Distribution Account, the Capitalized Interest Account or the Pre-Funding Account prior to any change thereof.

(g) The Trustee shall establish and maintain, on behalf of the Certificateholders, the Pre-Funding Account. On the Closing Date Countrywide shall remit the Pre-Funded Amount to the Trustee for deposit in the Pre-Funding Account. On each Supplemental Transfer Date, upon satisfaction of the conditions for such Supplemental Transfer Date set forth in Section 2.01(e), with respect to the related Supplemental Transfer Agreement, the Trustee shall pay to each Seller selling Supplemental Mortgage Loans to the Depositor on such Supplemental Transfer Date the portion of the Aggregate Supplemental Transfer Amount held in escrow pursuant to Section 2.01(e) as payment of the purchase price for the Supplemental Mortgage Loans sold by such Seller. If at any time the Depositor becomes aware that the Cut-off Date Stated Principal Balance of Supplemental Mortgage Loans reflected on any Supplemental Transfer Agreement exceeds the actual Cut-off Date Stated Principal Balance of the relevant Supplemental Mortgage Loans, the Depositor may so notify the Trustee and the Trustee shall redeposit into the Pre-Funding Account the excess reported to it by the Depositor.

If any funds remain in the Pre-Funding Account at the end of the Funding Period, to the extent that they represent earnings on the amounts originally deposited into the Pre-Funding Account, the Trustee shall distribute them to the order of the Depositor.

(h) The Trustee shall establish and maintain, on behalf of the Certificateholders, the Capitalized Interest Account. On the Closing Date, Countrywide shall remit the aggregate Capitalized Interest Requirement to the Trustee for deposit in the Capitalized Interest Account. On each Distribution Account Deposit Date related to a Funding Period Distribution Date, upon satisfaction of the conditions for such Supplemental Transfer Date set forth in Section 2.01(e), with respect to the related Supplemental Transfer Agreement, the Trustee shall transfer from the Capitalized Interest Account to the Distribution Account an amount equal to the Capitalized Interest Requirement (which, to the extent required, may include investment earnings on amounts on deposit therein) with respect to the amount remaining in the Pre-Funding Account

for the related Distribution Date as identified by Countrywide in the Supplemental Transfer Agreement.

(i) If any funds remain in the Capitalized Interest Account at the end of the Funding Period, the Trustee shall make the transfer described in the preceding paragraph if necessary for the remaining Funding Period Distribution Date and the Trustee shall distribute any remaining funds in the Capitalized Interest Account to the order of the Depositor.

On each Distribution Date, the Trustee shall deposit into the Carryover Shortfall Reserve Fund all amounts otherwise distributable to the Class X-P IO-1 and Class X-P IO-2 Components on such Distribution Date.

The Trustee shall make withdrawals from the Carryover Shortfall Reserve Fund to make distributions pursuant to Section 4.02(a)(4). Upon the earlier of (i) the retirement of the LIBOR Certificates and (ii) the termination of the Trust Fund in accordance with Section 9.01, the Trustee shall distribute to the Depositor all monies remaining on deposit in the Carryover Shortfall Reserve Fund after making the distributions specified in Section 4.02(a)(4).

SECTION 3.06. Collection of Taxes, Assessments and Similar Items; Escrow Accounts.

(a) To the extent required by the related Mortgage Note and not violative of current law, the Master Servicer shall establish and maintain one or more accounts (each, an "***Escrow Account***") and deposit and retain therein all collections from the Mortgagors (or advances by the Master Servicer) for the payment of taxes, assessments, hazard insurance premiums or comparable items for the account of the Mortgagors. Nothing in this Agreement shall require the Master Servicer to compel a Mortgagor to establish an Escrow Account in violation of applicable law.

(b) Withdrawals of amounts so collected from the Escrow Accounts may be made only to effect timely payment of taxes, assessments, hazard insurance premiums, condominium or PUD association dues, or comparable items, to reimburse the Master Servicer out of related collections for any payments made pursuant to Sections 3.01 (with respect to taxes and assessments and insurance premiums) and 3.09 (with respect to hazard insurance), to refund to any Mortgagors any sums determined to be overages, to pay interest, if required by law or the terms of the related Mortgage or Mortgage Note, to Mortgagors on balances in the Escrow Account or to clear and terminate the Escrow Account at the termination of this Agreement in accordance with Section 9.01. The Escrow Accounts shall not be a part of the Trust Fund.

(c) The Master Servicer shall advance any payments referred to in Section 3.06(a) that are not timely paid by the Mortgagors on the date when the tax, premium or other cost for which such payment is intended is due, but the Master Servicer shall be required so to advance only to the extent that such advances, in the good faith judgment of the Master Servicer, will be recoverable by the Master Servicer out of Insurance Proceeds, Liquidation Proceeds or otherwise.

SECTION 3.07. Access to Certain Documentation and Information Regarding the Mortgage Loans.

The Master Servicer shall afford each Seller, Ambac, the Depositor and the Trustee reasonable access to all records and documentation regarding the Mortgage Loans and all accounts, insurance information and other matters relating to this Agreement, such access being afforded without charge, but only upon reasonable request and during normal business hours at the office designated by the Master Servicer.

Upon reasonable advance notice in writing, the Master Servicer will provide to each Certificateholder and/or Certificate Owner that is a savings and loan association, bank or insurance company certain reports and reasonable access to information and documentation regarding the Mortgage Loans sufficient to permit such Certificateholder and/or Certificate Owner to comply with applicable regulations of the OTS or other regulatory authorities with respect to investment in the Certificates; provided that the Master Servicer shall be entitled to be reimbursed by each such Certificateholder and/or Certificate Owner for actual expenses incurred by the Master Servicer in providing such reports and access.

SECTION 3.08. Permitted Withdrawals from the Certificate Account; the Distribution Account and the Carryover Shortfall Reserve Fund.

(a) The Master Servicer may from time to time make withdrawals from the Certificate Account for the following purposes:

(i) to pay to the Master Servicer (to the extent not previously retained by the Master Servicer) the servicing compensation to which it is entitled pursuant to Section 3.14 and to pay to the Master Servicer, as additional servicing compensation, earnings on or investment income with respect to funds in or credited to the Certificate Account;

(ii) to reimburse each of the Master Servicer and the Trustee for unreimbursed Advances made by it, such right of reimbursement pursuant to this subclause (ii) being limited to amounts received on the Mortgage Loan(s) in respect of which any such Advance was made;

(iii) to reimburse each of the Master Servicer and the Trustee for any Nonrecoverable Advance previously made by it;

(iv) to reimburse the Master Servicer for Insured Expenses from the related Insurance Proceeds;

(v) to reimburse the Master Servicer for (a) unreimbursed Servicing Advances, the Master Servicer's right to reimbursement pursuant to this clause (a) with respect to any Mortgage Loan being limited to amounts received on such Mortgage Loan(s) that represent late recoveries of the payments for which such advances were made pursuant to Section 3.01 or Section 3.06 and (b) for unpaid Master Servicing Fees as provided in Section 3.11;

(vi) to pay to the purchaser, with respect to each Mortgage Loan or property acquired in respect thereof that has been purchased pursuant to Section 2.02, 2.03 or 3.11, all amounts received on such Mortgage Loan after the date of such purchase;

(vii) to reimburse the Sellers, the Master Servicer or the Depositor for expenses incurred by any of them and reimbursable pursuant to Section 6.03;

(viii) to withdraw any amount deposited in the Certificate Account and not required to be deposited in the Certificate Account;

(ix) on or prior to the Distribution Account Deposit Date, to withdraw an amount equal to the related Available Funds, the Prepayment Charges, the Master Servicer Prepayment Charge Amount, and the Trustee Fee for such Distribution Date and remit such amount to the Trustee for deposit in the Distribution Account; and

(x) to clear and terminate the Certificate Account upon termination of this Agreement pursuant to Section 9.01.

The Master Servicer shall keep and maintain separate accounting, on a Mortgage Loan by Mortgage Loan basis, for the purpose of justifying any withdrawal from the Certificate Account pursuant to such subclauses (i), (ii), (iv), (v) and (vi). Prior to making any withdrawal from the Certificate Account pursuant to subclause (iii), the Master Servicer shall deliver to the Trustee an Officer's Certificate of a Servicing Officer indicating the amount of any previous Advance determined by the Master Servicer to be a Nonrecoverable Advance and identifying the related Mortgage Loans(s), and their respective portions of such Nonrecoverable Advance.

(b) The Trustee shall withdraw funds from the Distribution Account for distributions to Certificateholders and Ambac, in the manner specified in this Agreement (and to withhold from the amounts so withdrawn, the amount of any taxes that it is authorized to withhold pursuant to the third paragraph of Section 8.11). In addition, the Trustee may from time to time make withdrawals from the Distribution Account for the following purposes:

(i) to pay to itself the Trustee Fee for the related Distribution Date;

(ii) to pay to the Master Servicer as additional servicing compensation, earnings on or the investment income with respect to funds in the Distribution Account;

(iii) to withdraw and return to the Master Servicer any amount deposited in the Distribution Account and not required to be deposited therein;

(iv) to reimburse the Trustee for any unreimbursed Advances made by it pursuant to Section 4.01(b) hereof, such right of reimbursement pursuant to this subclause (iv) being limited to (x) amounts received on the related Mortgage Loan(s) in respect of which any such Advance was made and (y) amounts not otherwise reimbursed to the Trustee pursuant to Section 3.08(a)(ii) hereof;

(v) to reimburse the Trustee for any Nonrecoverable Advance previously made by the Trustee pursuant to Section 4.01(b) hereof, such right of reimbursement

pursuant to this subclause (v) being limited to amounts not otherwise reimbursed to the Trustee pursuant to Section 3.08(a)(iii) hereof; and

(vi) to clear and terminate the Distribution Account upon termination of this Agreement pursuant to Section 9.01.

(c) The Trustee shall withdraw funds from the Carryover Shortfall Reserve Fund for distribution to the LIBOR Certificates and the Class X-P Certificates in the manner specified in Section 4.02(a)(4) (and to withhold from the amounts so withdrawn the amount of any taxes that it is authorized to retain pursuant to the third paragraph of Section 8.11). In addition, the Trustee may from time to time make withdrawals from the Carryover Shortfall Reserve Fund for the following purposes:

(i) to withdraw any amount deposited in the Carryover Shortfall Reserve Fund and not required to be deposited therein; and

(ii) to clear and terminate the Carryover Shortfall Reserve Fund upon the retirement of LIBOR Certificates and the Class X-P Certificates pursuant to Section 9.01.

(d) [Reserved].

(e) [Reserved].

SECTION 3.09. Maintenance of Hazard Insurance; Maintenance of Primary Insurance Policies.

(a) The Master Servicer shall cause to be maintained, for each Mortgage Loan, hazard insurance with extended coverage in an amount that is at least equal to the lesser of (i) the maximum insurable value of the improvements securing such Mortgage Loan or (ii) the greater of (y) the outstanding principal balance of the Mortgage Loan, including any Deferred Interest, and (z) an amount such that the proceeds of such policy shall be sufficient to prevent the Mortgagor and/or the mortgagee from becoming a co-insurer. Each such policy of standard hazard insurance shall contain, or have an accompanying endorsement that contains, a standard mortgagee clause. Any amounts collected by the Master Servicer under any such policies (other than the amounts to be applied to the restoration or repair of the related Mortgaged Property or amounts released to the Mortgagor in accordance with the Master Servicer's normal servicing procedures) shall be deposited in the Certificate Account. Any cost incurred by the Master Servicer in maintaining any such insurance shall not, for the purpose of calculating monthly distributions to the Certificateholders or remittances to the Trustee for their benefit, be added to the principal balance of the Mortgage Loan, notwithstanding that the terms of the Mortgage Loan so permit. Such costs shall be recoverable by the Master Servicer out of late payments by the related Mortgagor or out of the proceeds of liquidation of the Mortgage Loan or Subsequent Recoveries to the extent permitted by Section 3.08. It is understood and agreed that no earthquake or other additional insurance is to be required of any Mortgagor or maintained on property acquired in respect of a Mortgage other than pursuant to such applicable laws and regulations as shall at any time be in force and as shall require such additional insurance. If the Mortgaged Property is located at the time of origination of the Mortgage Loan in a federally designated special flood hazard area and such area is participating in the national flood insurance

program, the Master Servicer shall cause flood insurance to be maintained with respect to such Mortgage Loan. Such flood insurance shall be in an amount equal to the least of (i) the outstanding principal balance of the related Mortgage Loan, (ii) the replacement value of the improvements which are part of such Mortgaged Property, and (iii) the maximum amount of such insurance available for the related Mortgaged Property under the national flood insurance program.

(b) The Master Servicer shall not take any action which would result in non-coverage under any applicable Primary Insurance Policy of any loss which, but for the actions of the Master Servicer, would have been covered thereunder. The Master Servicer shall not cancel or refuse to renew any such Primary 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 unless the replacement Primary Insurance Policy for such canceled or non-renewed policy is maintained with a Qualified Insurer.

Except with respect to any Lender PMI Mortgage Loans, the Master Servicer shall not be required to maintain any Primary Insurance Policy (i) with respect to any Mortgage Loan with a Loan-to-Value Ratio less than or equal to 80% as of any date of determination or, based on a new appraisal, the principal balance of such Mortgage Loan represents 80% or less of the new appraised value or (ii) if maintaining such Primary Insurance Policy is prohibited by applicable law. With respect to the Lender PMI Mortgage Loans, the Master Servicer shall maintain the Primary Insurance Policy for the life of such Mortgage Loans, unless otherwise provided for in the related Mortgage Note or prohibited by law.

The Master Servicer agrees to effect the timely payment of the premiums on each Primary Insurance Policy, and such costs not otherwise recoverable shall be recoverable by the Master Servicer from the related proceeds of liquidation and Subsequent Recoveries.

(c) In connection with its activities as Master Servicer of the Mortgage Loans, the Master Servicer agrees to present on behalf of itself, the Trustee and Certificateholders, claims to the insurer under any Primary Insurance Policies and, in this regard, to take such reasonable action as shall be necessary to permit recovery under any Primary Insurance Policies respecting defaulted Mortgage Loans. Any amounts collected by the Master Servicer under any Primary Insurance Policies shall be deposited in the Certificate Account.

SECTION 3.10. Enforcement of Due-on-Sale Clauses; Assumption Agreements.

(a) Except as otherwise provided in this Section, when any property subject to a Mortgage has been conveyed by the Mortgagor, the Master Servicer shall to the extent that it has knowledge of such conveyance, enforce any due-on-sale clause contained in any Mortgage Note or Mortgage, to the extent permitted under applicable law and governmental regulations, but only to the extent that such enforcement will not adversely affect or jeopardize coverage under any Required Insurance Policy. Notwithstanding the foregoing, the Master Servicer is not required to exercise such rights with respect to a Mortgage Loan if the Person to whom the related Mortgaged Property has been conveyed or is proposed to be conveyed satisfies the terms and conditions contained in the Mortgage Note and Mortgage related thereto and the consent of the mortgagee under such Mortgage Note or Mortgage is not otherwise so required under such Mortgage Note or Mortgage as a condition to such transfer. In the event that the Master Servicer

is prohibited by law from enforcing any such due-on-sale clause, or if coverage under any Required Insurance Policy would be adversely affected, or if nonenforcement is otherwise permitted hereunder, the Master Servicer is authorized, subject to Section 3.10(b), to take or enter into an assumption and modification agreement from or 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 state law, the Mortgagor remains liable thereon, provided that the Mortgage Loan shall continue to be covered (if so covered before the Master Servicer enters such agreement) by the applicable Required Insurance Policies. The Master Servicer, subject to Section 3.10(b), is also authorized with the prior approval of the insurers under any Required Insurance Policies 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 Mortgage Note. Notwithstanding the foregoing, the Master Servicer shall not be deemed to be in default under this Section by reason of any transfer or assumption which the Master Servicer reasonably believes it is restricted by law from preventing, for any reason whatsoever.

(b) Subject to the Master Servicer's duty to enforce any due-on-sale clause to the extent set forth in Section 3.10(a), in any case in which a Mortgaged Property has been conveyed to a Person by a Mortgagor, and such Person is to enter into an assumption agreement or modification agreement or supplement to the Mortgage Note or Mortgage that requires the signature of the Trustee, or if an instrument of release signed by the Trustee is required releasing the Mortgagor from liability on the Mortgage Loan, the Master Servicer shall prepare and deliver or cause to be prepared and delivered to the Trustee for signature and shall direct, in writing, the Trustee to execute the assumption agreement with the Person to whom the Mortgaged Property is to be conveyed and such modification agreement or supplement to the Mortgage Note or Mortgage or other instruments as are reasonable or necessary to carry out the terms of the Mortgage Note or Mortgage or otherwise to comply with any applicable laws regarding assumptions or the transfer of the Mortgaged Property to such Person. In connection with any such assumption, no material term of the Mortgage Note may be changed. In addition, the substitute Mortgagor and the Mortgaged Property must be acceptable to the Master Servicer in accordance with its underwriting standards as then in effect. Together with each such substitution, assumption or other agreement or instrument delivered to the Trustee for execution by it, the Master Servicer shall deliver an Officer's Certificate signed by a Servicing Officer stating that the requirements of this subsection have been met in connection therewith. The Master Servicer shall notify the Trustee that any such substitution or assumption agreement has been completed by forwarding to the Trustee the original of such substitution or assumption agreement, which in the case of the original shall be added to the related Mortgage File and 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. Any fee collected by the Master Servicer for entering into an assumption or substitution of liability agreement will be retained by the Master Servicer as additional servicing compensation.

SECTION 3.11. Realization Upon Defaulted Mortgage Loans; Repurchase of Certain Mortgage Loans.

(a) The Master Servicer shall use reasonable efforts to foreclose upon or otherwise comparably convert the ownership of properties securing such of the Mortgage Loans as come into and continue in default and as to which no satisfactory arrangements can be made for

collection of delinquent payments. In connection with such foreclosure or other conversion, the Master Servicer shall follow such practices and procedures as it shall deem necessary or advisable and as shall be normal and usual in its general mortgage servicing activities and meet the requirements of the insurer under any Required Insurance Policy; provided, however, that the Master Servicer shall not be required to expend its own funds in connection with any foreclosure or towards the restoration of any property unless it shall determine (i) that such restoration and/or foreclosure will increase the proceeds of liquidation of the Mortgage Loan after reimbursement to itself of such expenses and (ii) that such expenses will be recoverable to it through the proceeds of liquidation of the Mortgage Loan and Subsequent Recoveries (respecting which it shall have priority for purposes of withdrawals from the Certificate Account). The Master Servicer shall be responsible for all other costs and expenses incurred by it in any such proceedings; provided, however, that it shall be entitled to reimbursement of such costs and expenses from the proceeds of liquidation of the Mortgage Loan and Subsequent Recoveries with respect to the related Mortgaged Property, as provided in the definition of Liquidation Proceeds. If the Master Servicer has knowledge that a Mortgaged Property which the Master Servicer is contemplating acquiring in foreclosure or by deed in lieu of foreclosure is located within a one-mile radius of any site listed in the Expenditure Plan for the Hazardous Substance Clean Up Bond Act of 1984 or other site with environmental or hazardous waste risks known to the Master Servicer, the Master Servicer will, prior to acquiring the Mortgaged Property, consider such risks and only take action in accordance with its established environmental review procedures.

With respect to any REO Property, the deed or certificate of sale shall be taken in the name of the Trustee for the benefit of the Certificateholders, or its nominee, on behalf of the Certificateholders. The Trustee's name shall be placed on the title to such REO Property solely as the Trustee hereunder and not in its individual capacity. The Master Servicer shall ensure that the title to such REO Property references the Pooling and Servicing Agreement and the Trustee's capacity thereunder. Pursuant to its efforts to sell such REO Property, the Master Servicer shall either itself or through an agent selected by the Master Servicer protect and conserve such REO Property in the same manner and to such extent as is customary in the locality where such REO Property is located and may, incident to its conservation and protection of the interests of the Certificateholders, rent the same, or any part thereof, as the Master Servicer deems to be in the best interest of the Certificateholders for the period prior to the sale of such REO Property. The Master Servicer shall prepare for and deliver to the Trustee a statement with respect to each REO Property that has been rented showing the aggregate rental income received and all expenses incurred in connection with the maintenance of such REO Property at such times as is necessary to enable the Trustee to comply with the reporting requirements of the REMIC Provisions. The net monthly rental income, if any, from such REO Property shall be deposited in the Certificate Account no later than the close of business on each Determination Date. The Master Servicer shall perform the tax reporting and withholding required by sections 1445 and 6050J of the Code with respect to foreclosures and abandonments, the tax reporting required by section 6050H of the Code with respect to the receipt of mortgage interest from individuals and any tax reporting required by section 6050P of the Code with respect to the cancellation of indebtedness by certain financial entities, by preparing such tax and information returns as may be required, in the form required, and delivering the same to the Trustee for filing.

In the event that the Trust Fund acquires any Mortgaged Property as aforesaid or otherwise in connection with a default or imminent default on a Mortgage Loan, the Master Servicer shall dispose of such Mortgaged Property as soon as practicable in a manner that maximizes the Liquidation Proceeds thereof, but in no event later than three years after its acquisition by the Trust Fund. In that event, the Trustee shall have been supplied with an Opinion of Counsel to the effect that the holding by the Trust Fund of such Mortgaged Property subsequent to a three-year period, if applicable, will not result in the imposition of taxes on "prohibited transactions" of any REMIC hereunder as defined in section 860F of the Code or cause any REMIC hereunder to fail to qualify as a REMIC at any time that any Certificates are outstanding, and that the Trust Fund may continue to hold such Mortgaged Property (subject to any conditions contained in such Opinion of Counsel) after the expiration of such three-year period. Notwithstanding any other provision of this Agreement, no Mortgaged Property acquired by the Trust Fund shall be rented (or allowed to continue to be rented) or otherwise used for the production of income by or on behalf of the Trust Fund in such a manner or pursuant to any terms that would (i) cause such Mortgaged Property to fail to qualify as "foreclosure property" within the meaning of section 860G(a)(8) of the Code or (ii) subject any REMIC hereunder to the imposition of any federal, state or local income taxes on the income earned from such Mortgaged Property under section 860G(c) of the Code or otherwise, unless the Master Servicer has agreed to indemnify and hold harmless the Trust Fund with respect to the imposition of any such taxes.

In the event of a default on a Mortgage Loan one or more of whose obligor is not a United States Person, as that term is defined in section 7701(a)(30) of the Code, in connection with any foreclosure or acquisition of a deed in lieu of foreclosure (together, "foreclosure") in respect of such Mortgage Loan, the Master Servicer will cause compliance with the provisions of Treasury Regulation Section 1.1445-2(d)(3) (or any successor thereto) necessary to assure that no withholding tax obligation arises with respect to the proceeds of such foreclosure except to the extent, if any, that proceeds of such foreclosure are required to be remitted to the obligors on such Mortgage Loan.

The decision of the Master Servicer to foreclose on a defaulted Mortgage Loan shall be subject to a determination by the Master Servicer that the proceeds of such foreclosure would exceed the costs and expenses of bringing such a proceeding. The income earned from the management of any REO Properties, net of reimbursement to the Master Servicer for expenses incurred (including any property or other taxes) in connection with such management and net of unreimbursed Master Servicing Fees, Advances and Servicing Advances, shall be applied to the payment of principal of and interest on the related defaulted Mortgage Loans (with interest accruing as though such Mortgage Loans were still current) and all such income shall be deemed, for all purposes in this Agreement, to be payments on account of principal and interest on the related Mortgage Notes and shall be deposited into the Certificate Account. To the extent the net income received during any calendar month is in excess of the amount attributable to amortizing principal and accrued interest at the related Mortgage Rate on the related Mortgage Loan for such calendar month, such excess shall be considered to be a partial prepayment of principal of the related Mortgage Loan.

The proceeds from any liquidation of a Mortgage Loan, as well as any income from an REO Property, will be applied in the following order of priority: first, to reimburse the Master Servicer for any related unreimbursed Servicing Advances and Master Servicing Fees; second, to

reimburse the Master Servicer or the Trustee for any unreimbursed Advances; third, to reimburse the Certificate Account for any Nonrecoverable Advances (or portions thereof) that were previously withdrawn by the Master Servicer or the Trustee pursuant to Section 3.08(a)(iii) that related to such Mortgage Loan; fourth, to accrued and unpaid interest (to the extent no Advance has been made for such amount or any such Advance has been reimbursed) on the Mortgage Loan or related REO Property, at the Adjusted Net Mortgage Rate to the end of the Due Period concluding in the month in which such amounts are required to be distributed; and fifth, as a recovery of principal of the Mortgage Loan. Excess Proceeds, if any, from the liquidation of a Liquidated Mortgage Loan will be retained by the Master Servicer as additional servicing compensation pursuant to Section 3.14.

The Master Servicer, in its sole discretion, shall have the right to purchase for its own account from the Trust Fund any Mortgage Loan that is 151 days or more delinquent at a price equal to the Purchase Price; provided, however, that the Master Servicer may only exercise this right on or before the next to the last day of the calendar month in which such Mortgage Loan became 151 days delinquent (such month, the "***Eligible Repurchase Month***"); provided further, that any such Mortgage Loan that becomes current but thereafter becomes delinquent may be purchased by the Master Servicer pursuant to this Section in any ensuing Eligible Repurchase Month. The Master Servicer, in its sole discretion, shall also have the right to purchase for its own account from the Trust Fund at a price equal to the Purchase Price any Eligible EPD Protected Mortgage Loan. The Master Servicer's right to purchase any such Eligible EPD Protected Mortgage Loan shall expire on the 270th day following the date on which the related Mortgage Loan became an Eligible EPD Protected Mortgage Loan. The Purchase Price for any Mortgage Loan purchased under this Section 3.11 shall be deposited in the Certificate Account and the Trustee, upon receipt of a certificate from the Master Servicer in the form of Exhibit N to this Agreement, shall release or cause to be released to the purchaser of such Mortgage Loan the related Mortgage File and shall execute and deliver such instruments of transfer or assignment prepared by the purchaser of such Mortgage Loan, in each case without recourse, as shall be necessary to vest in the purchaser of such Mortgage Loan any Mortgage Loan released pursuant hereto and the purchaser of such Mortgage Loan shall succeed to all the Trustee's right, title and interest in and to such Mortgage Loan and all security and documents related thereto. Such assignment shall be an assignment outright and not for security. The purchaser of such Mortgage Loan shall thereupon own such Mortgage Loan, and all security and documents, free of any further obligation to the Trustee or the Certificateholders with respect thereto.

(b) Countrywide may agree to a modification of any Mortgage Loan (the "***Modified Mortgage Loan***") if (i) the modification is in lieu of a refinancing, (ii) the Mortgage Rate on the Modified Mortgage Loan is approximately a prevailing market rate for newly-originated mortgage loans having similar terms and (iii) Countrywide purchases the Modified Mortgage Loan from the Trust Fund as described below. Effective immediately after the modification, and, in any event, on the same Business Day on which the modification occurs, all interest of the Trustee in the Modified Mortgage Loan shall automatically be deemed transferred and assigned to Countrywide and all benefits and burdens of ownership thereof, including the right to accrued interest thereon from the date of modification and the risk of default thereon, shall pass to Countrywide. The Master Servicer shall promptly deliver to the Trustee a certification of a Servicing Officer to the effect that all requirements of this paragraph have been satisfied with

respect to the Modified Mortgage Loan. For federal income tax purposes, the Trustee shall account for such purchase as a prepayment in full of the Modified Mortgage Loan.

Countrywide shall deliver to the Master Servicer and the Master Servicer shall deposit the Purchase Price for any Modified Mortgage Loan in the Certificate Account pursuant to Section 3.05 within one Business Day after the purchase of the Modified Mortgage Loan. Upon receipt by the Trustee of written notification of any such deposit signed by a Servicing Officer, the Trustee shall release to Countrywide the related Mortgage File and shall execute and deliver such instruments of transfer or assignment, in each case without recourse, as shall be necessary to vest in Countrywide any Modified Mortgage Loan previously transferred and assigned pursuant hereto. Countrywide covenants and agrees to indemnify the Trust Fund against any liability for any "prohibited transaction" taxes and any related interest, additions, and penalties imposed on the Trust Fund established hereunder as a result of any modification of a Mortgage Loan effected pursuant to this subsection (b), any holding of a Modified Mortgage Loan by the Trust Fund or any purchase of a Modified Mortgage Loan by Countrywide (but such obligation shall not prevent Countrywide or any other appropriate Person from in good faith contesting any such tax in appropriate proceedings and shall not prevent Countrywide from withholding payment of such tax, if permitted by law, pending the outcome of such proceedings). Countrywide shall have no right of reimbursement for any amount paid pursuant to the foregoing indemnification, except to the extent that the amount of any tax, interest, and penalties, together with interest thereon, is refunded to the Trust Fund or Countrywide.

SECTION 3.12. Trustee to Cooperate; Release of Mortgage Files.

Upon the payment in full of any Mortgage Loan, or the receipt by the Master Servicer of a notification that payment in full will be escrowed in a manner customary for such purposes, the Master Servicer will immediately notify the Trustee by delivering, or causing to be delivered a "Request for Release" substantially in the form of Exhibit N of this Agreement. Upon receipt of such request, the Trustee shall promptly release the related Mortgage File to the Master Servicer, and the Trustee shall at the Master Servicer's direction execute and deliver to the Master Servicer the request for reconveyance, deed of reconveyance or release or satisfaction of mortgage or such instrument releasing the lien of the Mortgage in each case provided by the Master Servicer, together with the Mortgage Note with written evidence of cancellation on the Mortgage Note. The Master Servicer is authorized to cause the removal from the registration on the MERS® System of such Mortgage and to execute and deliver, on behalf of the Trustee and the Certificateholders or any of them, any and all instruments of satisfaction or cancellation or of partial or full release. Expenses incurred in connection with any instrument of satisfaction or deed of reconveyance shall be chargeable to the related Mortgagor. From time to time and as shall be appropriate for the servicing or foreclosure of any Mortgage Loan, including for such purpose, collection under any policy of flood insurance, any fidelity bond or errors or omissions policy, or for the purposes of effecting a partial release of any Mortgaged Property from the lien of the Mortgage or the making of any corrections to the Mortgage Note or the Mortgage or any of the other documents included in the Mortgage File, the Trustee shall, upon delivery to the Trustee of a Request for Release in the form of Exhibit M signed by a Servicing Officer, release the Mortgage File to the Master Servicer. Subject to the further limitations set forth below, the Master Servicer shall cause the Mortgage File or documents so released to be returned to the Trustee when the need therefor by the Master Servicer no longer exists, unless the Mortgage Loan is liquidated and the proceeds thereof are deposited in the Certificate Account, in which

case the Master Servicer shall deliver to the Trustee a Request for Release in the form of Exhibit N, signed by a Servicing Officer.

If the Master Servicer at any time seeks to initiate a foreclosure proceeding in respect of any Mortgaged Property as authorized by this Agreement, the Master Servicer shall deliver or cause to be delivered to the Trustee, for signature, as appropriate, any court pleadings, requests for trustee's sale or other documents necessary to effectuate such foreclosure or any legal action brought to obtain judgment against the Mortgagor on the Mortgage Note or the Mortgage or to obtain a deficiency judgment or to enforce any other remedies or rights provided by the Mortgage Note or the Mortgage or otherwise available at law or in equity.

SECTION 3.13. Documents, Records and Funds in Possession of Master Servicer to be Held for the Trustee.

Notwithstanding any other provisions of this Agreement, the Master Servicer shall transmit to the Trustee as required by this Agreement all documents and instruments in respect of a Mortgage Loan coming into the possession of the Master Servicer from time to time and shall account fully to the Trustee for any funds received by the Master Servicer or which otherwise are collected by the Master Servicer as Liquidation Proceeds, Insurance Proceeds or Subsequent Recoveries in respect of any Mortgage Loan. All Mortgage Files and funds collected or held by, or under the control of, the Master Servicer in respect of any Mortgage Loans, whether from the collection of principal and interest payments or from Liquidation Proceeds and any Subsequent Recoveries, including but not limited to, any funds on deposit in the Certificate Account, shall be held by the Master Servicer for and on behalf of the Trustee and shall be and remain the sole and exclusive property of the Trustee, subject to the applicable provisions of this Agreement. The Master Servicer also agrees that it shall not create, incur or subject any Mortgage File or any funds that are deposited in the Certificate Account, Distribution Account or any Escrow Account, or any funds that otherwise are or may become due or payable to the Trustee for the benefit of the Certificateholders, to any claim, lien, security interest, judgment, levy, writ of attachment or other encumbrance, or assert by legal action or otherwise any claim or right of setoff against any Mortgage File or any funds collected on, or in connection with, a Mortgage Loan, except, however, that the Master Servicer shall be entitled to set off against and deduct from any such funds any amounts that are properly due and payable to the Master Servicer under this Agreement.

SECTION 3.14. Servicing Compensation.

As compensation for its activities hereunder, the Master Servicer shall be entitled to retain or withdraw from the Certificate Account an amount equal to the Master Servicing Fee; provided, that the aggregate Master Servicing Fee with respect to any Distribution Date shall be reduced (i) by an amount equal to the aggregate of the Prepayment Interest Shortfalls, if any, with respect to such Distribution Date, but not to exceed the Compensating Interest for that Distribution Date, and (ii) with respect to the first Distribution Date, an amount equal to any amount to be deposited into the Distribution Account by the Depositor pursuant to Section 2.01(a) and not so deposited.

Additional servicing compensation in the form of Excess Proceeds, assumption fees, late payment charges and all income and gain net of any losses realized from Permitted Investments

shall be retained by the Master Servicer to the extent not required to be deposited in the Certificate Account pursuant to Section 3.05. The Master Servicer shall be required to pay all expenses incurred by it in connection with its master servicing activities hereunder (including payment of any premiums for hazard insurance and any Primary Insurance Policy and maintenance of the other forms of insurance coverage required by this Agreement) and shall not be entitled to reimbursement therefor except as specifically provided in this Agreement.

SECTION 3.15. Access to Certain Documentation.

The Master Servicer shall provide to the OTS and the FDIC and to comparable regulatory authorities supervising Certificateholders and/or Certificate Owners and the examiners and supervisory agents of the OTS, the FDIC and such other authorities, access to the documentation regarding the Mortgage Loans required by applicable regulations of the OTS and the FDIC. Such access shall be afforded without charge, but only upon reasonable and prior written request and during normal business hours at the offices designated by the Master Servicer. Nothing in this Section shall limit the obligation of the Master Servicer to observe any applicable law prohibiting disclosure of information regarding the Mortgagors and the failure of the Master Servicer to provide access as provided in this Section as a result of such obligation shall not constitute a breach of this Section.

SECTION 3.16. Annual Statement as to Compliance.

(a) The Master Servicer shall deliver to the Depositor and the Trustee on or before March 15 of each year, commencing with its 2007 fiscal year, an Officer's Certificate stating, as to the signer thereof, that (i) a review of the activities of the Master Servicer during the preceding calendar year (or applicable portion thereof) and of the performance of the Master Servicer under this Agreement has been made under such officer's supervision and (ii) to the best of such officer's knowledge, based on such review, the Master Servicer has fulfilled all its obligations under this Agreement in all material respects throughout such year (or applicable 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.

(b) The Master Servicer shall cause each Subservicer to deliver to the Depositor and the Trustee on or before March 15 of each year, commencing with its 2007 fiscal year, an Officer's Certificate stating, as to the signer thereof, that (i) a review of the activities of such Subservicer during the preceding calendar year (or applicable portion thereof) and of the performance of the Subservicer under the applicable Subservicing Agreement or primary servicing agreement, has been made under such officer's supervision and (ii) to the best of such officer's knowledge, based on such review, such Subservicer has fulfilled all its obligations under the applicable Subservicing Agreement or primary servicing agreement, in all material respects throughout such year (or applicable 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.

(c) The Trustee shall forward a copy of each such statement to Ambac and each Rating Agency.

SECTION 3.17. Errors and Omissions Insurance; Fidelity Bonds.

The Master Servicer shall for so long as it acts as master servicer under this Agreement, obtain and maintain in force (a) a policy or policies of insurance covering errors and omissions in the performance of its obligations as Master Servicer hereunder and (b) a fidelity bond in respect of its officers, employees and agents. Each such policy or policies and bond shall, together, comply with the requirements from time to time of FNMA or FHLMC for persons performing servicing for mortgage loans purchased by FNMA or FHLMC. In the event that any such policy or bond ceases to be in effect, the Master Servicer shall obtain a comparable replacement policy or bond from an insurer or issuer, meeting the requirements set forth above as of the date of such replacement.

SECTION 3.18. Notification of Adjustments.

On each Adjustment Date, the Master Servicer shall make interest rate and/or monthly payment adjustments for each Mortgage Loan in compliance with the requirements of the related Mortgage and Mortgage Note and applicable regulations. The Master Servicer shall execute and deliver the notices required by each Mortgage and Mortgage Note and applicable regulations regarding interest rate and/or monthly payment adjustments. The Master Servicer also shall provide timely notification to the Trustee of all applicable data and information regarding such interest rate or monthly payment adjustments and the Master Servicer's methods of implementing such adjustments. Upon the discovery by the Master Servicer or the Trustee that the Master Servicer has failed to adjust or has incorrectly adjusted a Mortgage Rate or a monthly payment pursuant to the terms of the related Mortgage Note and Mortgage, the Master Servicer shall immediately deposit in the Certificate Account from its own funds the amount of any interest and/or principal loss caused thereby without reimbursement therefor; provided, however, the Master Servicer shall be held harmless with respect to any interest rate and/or monthly payment adjustments made by any servicer prior to the Master Servicer.

SECTION 3.19. [Reserved].

SECTION 3.20. Prepayment Charges.

(a) Notwithstanding anything in this Agreement to the contrary, in the event of a Principal Prepayment in full or in part of a Mortgage Loan, the Master Servicer may not waive any Prepayment Charge or portion thereof required by the terms of the related Mortgage Note unless (i) such Mortgage Loan is in default or the Master Servicer believes that such a default is imminent and the Master Servicer determines that such waiver would maximize recovery of Liquidation Proceeds for such Mortgage Loan, taking into account the value of such Prepayment Charge, or (ii) (A) 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, or (B) the enforceability is otherwise limited or prohibited by applicable law. In the event of a Principal Prepayment in full or in part with respect to any Mortgage Loan, the Master Servicer shall deliver to the Trustee an Officer's Certificate no later than the third Business Day following the immediately succeeding Determination Date with a copy to the Class X-P Certificateholders. If the Master Servicer has waived or does not collect all or a portion of a Prepayment Charge relating to a Principal Prepayment in full or in part due to any action or omission of the Master

Servicer, other than as provided above, the Master Servicer shall deliver to the Trustee, together with the Principal Prepayment in full or in part, the amount of such Prepayment Charge (or such portion thereof as had been waived) for deposit into the Certificate Account (not later than 1:00 p.m. Pacific time on the immediately succeeding Master Servicer Advance Date, in the case of such Prepayment Charge) for distribution in accordance with the terms of this Agreement.

(b) Upon discovery by the Master Servicer or a Responsible Officer of the Trustee of a breach of the foregoing subsection (a), the party discovering the breach shall give prompt written notice to the other parties.

(c) Countrywide represents and warrants to the Depositor and the Trustee, as of the Closing Date, that the information in the Prepayment Charge Schedule (including the attached prepayment charge summary) is complete and accurate in all material respects at the dates as of which the information is furnished and each Prepayment Charge is permissible and enforceable in accordance with its terms under applicable state law, except as the enforceability thereof is limited due to acceleration in connection with a foreclosure or other involuntary payment.

(d) Upon discovery by the Master Servicer or a Responsible Officer of the Trustee of a breach of the foregoing clause (c) that materially and adversely affects the right of the Holders of the Class X-P Certificates to any Prepayment Charge, the party discovering the breach shall give prompt written notice to the other parties. Within 60 days of the earlier of discovery by Countrywide or receipt of notice by Countrywide of breach, Countrywide shall cure the breach in all material respects or shall pay to the Master Servicer which shall deposit such amount into the Certificate Account the amount of the Prepayment Charge that would otherwise be due from the Mortgagor, less any amount representing such Prepayment Charge previously collected and paid by the Master Servicer into the Certificate Account.

ARTICLE IV
DISTRIBUTIONS AND
ADVANCES BY THE MASTER SERVICER

SECTION 4.01. Advances.

(a) The Master Servicer shall determine on or before each Master Servicer Advance Date whether it is required to make an Advance pursuant to the definition thereof. If the Master Servicer determines it is required to make an Advance, it shall, on or before the Master Servicer Advance Date, either (i) deposit into the Certificate Account an amount equal to the Advance or (ii) make an appropriate entry in its records relating to the Certificate Account that any Amount Held for Future Distribution has been used by the Master Servicer in discharge of its obligation to make any such Advance. Any funds so applied shall be replaced by the Master Servicer by deposit in the Certificate Account no later than the close of business on the next Master Servicer Advance Date. The Master Servicer shall be entitled to be reimbursed from the Certificate Account for all Advances of its own funds made pursuant to this Section as provided in Section 3.08. The obligation to make Advances with respect to any Mortgage Loan shall continue if such Mortgage Loan has been foreclosed or otherwise terminated and the related Mortgaged Property has not been liquidated.

(b) If the Master Servicer determines that it will be unable to comply with its obligation to make the Advances as and when described in the second sentence of Section 4.01(a), the Master Servicer shall use its best efforts to give written notice thereof to the Trustee (each such notice a "***Trustee Advance Notice***"; and such notice may be given by telecopy), not later than 3:00 P.M., New York time, on the Business Day immediately preceding the related Master Servicer Advance Date, specifying the amount that will not be deposited by the Master Servicer (each such amount an "***Advance Deficiency***") and certifying that such Advance Deficiency constitutes an Advance hereunder and is not a Nonrecoverable Advance. If the Trustee receives a Trustee Advance Notice on or before 3:30 P.M., New York time on a Master Servicer Advance Date, the Trustee shall, not later than 3:00 P.M., New York time, on the related Distribution Date, deposit in the Distribution Account an amount equal to the Advance Deficiency identified in such Trustee Advance Notice unless it is prohibited from so doing by applicable law. Notwithstanding the foregoing, the Trustee shall not be required to make such deposit if the Trustee shall have received written notification from the Master Servicer that the Master Servicer has deposited or caused to be deposited in the Certificate Account an amount equal to such Advance Deficiency. All Advances made by the Trustee pursuant to this Section 4.01(b) shall accrue interest on behalf of the Trustee at the Trustee Advance Rate from and including the date such Advances are made to but excluding the date of repayment, with such interest being an obligation of the Master Servicer and not the Trust Fund. The Master Servicer shall reimburse the Trustee for the amount of any Advance made by the Trustee pursuant to this Section 4.01(b) together with accrued interest, not later than the fifth day following the related Master Servicer Advance Date. In the event that the Master Servicer does not reimburse the Trustee in accordance with the requirements of the preceding sentence, the Trustee shall have the right, but not the obligation, to immediately (a) terminate all of the rights and obligations of the Master Servicer under this Agreement in accordance with Section 7.01 and (b) subject to the limitations set forth in Section 3.04, assume all of the rights and obligations of the Master Servicer hereunder.

(c) The Master Servicer shall, not later than the close of business on the second Business Day immediately preceding each Distribution Date, deliver to the Trustee a report (in form and substance reasonably satisfactory to the Trustee) that indicates (i) the Mortgage Loans with respect to which the Master Servicer has determined that the related Scheduled Payments should be advanced and (ii) the amount of the related Scheduled Payments. The Master Servicer shall deliver to the Trustee on the related Master Servicer Advance Date an Officer's Certificate of a Servicing Officer indicating the amount of any proposed Advance determined by the Master Servicer to be a Nonrecoverable Advance.

SECTION 4.02. Priorities of Distribution.

(a) (1) On each Distribution Date, the Trustee shall withdraw the Available Funds from the Distribution Account and apply such funds to distributions to Ambac and on the specified Classes and Components of Certificates in the following order and priority and, in each case, to the extent of such funds remaining:

(i) to Ambac in accordance with the instructions set forth in Section 5.01, an amount equal to the Class A-3A Premium;

(ii) concurrently, to each interest-bearing Class and Component of Senior Certificates (including the Class X-P IO-1 and Class X-P IO-2 Components), an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Distribution Date, any shortfall being allocated among such Classes and Components in proportion to the amount of the Class Optimal Interest Distribution Amount that would have been distributed in the absence of such shortfall; provided, however, that the amount of interest otherwise distributable to the Class X-P IO-1 and Class X-P IO-2 Components shall be deposited into the Carryover Shortfall Reserve Fund and shall be distributed in accordance with Section 4.02(a)(4);

(iii) [Reserved];

(iv) to each Class of Senior Certificates and the Class X-P PO-1 and Class X-P PO-2 Components, concurrently as follows:

(x) [Reserved]; and

(y) the Principal Amount, up to the amount of the Senior Principal Distribution Amount for such Distribution Date will be distributed, sequentially as follows:

(A) first, to the Class A-R Certificates, until its Class Certificate Balance is reduced to zero;

(B) second, concurrently, to the Class A-1, Class A-2, Class A-3A, Class A-3B, Class A-4 and Class A-5 Certificates and the Class X-P PO-1 and Class X-P PO-2 Components, pro rata, until their respective Class Certificate Balances or Component Principal Balances, as applicable, are reduced to zero.

(2) [Reserved].

(3) On each Distribution Date, Available Funds remaining after making the distributions described in Section 4.02(a)(1) above, shall be distributed to Ambac, the Subordinated Certificates and the Class A-R Certificates in the following order and priority and, in each case, to the extent of such funds remaining:

(A) to Ambac, the Reimbursement Amount;

(B) to the Class M-1 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(C) to the Class M-1 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(D) to the Class M-2 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(E) to the Class M-2 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(F) to the Class M-3 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(G) to the Class M-3 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(H) to the Class M-4 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(I) to the Class M-4 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(J) to the Class M-5 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(K) to the Class M-5 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(L) to the Class M-6 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(M) to the Class M-6 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(N) to the Class M-7 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(O) to the Class M-7 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(P) to the Class M-8 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(Q) to the Class M-8 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(R) to the Class M-9 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(S) to the Class M-9 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(T) to the Class M-10 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(U) to the Class M-10 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(V) to the Class B-1 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(W) to the Class B-1 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(X) to the Class B-2 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(Y) to the Class B-2 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero;

(Z) to the Class B-3 Certificates, an amount allocable to interest equal to the Class Optimal Interest Distribution Amount for such Class for such Distribution Date;

(AA) to the Class B-3 Certificates, an amount allocable to principal equal to its Pro Rata Share for such Distribution Date until the Class Certificate Balance thereof is reduced to zero; and

(BB) to the Class A-R Certificates, any remaining funds in the Trust Fund.

(4) On each Distribution Date, any amounts deposited in the Carryover Shortfall Reserve Fund shall be distributed by the Trustee as follows:

(i) [Reserved].

(ii) from amounts otherwise distributable to the Class X-P IO-1 Component on such Distribution Date, sequentially, as follows:

(A) concurrently, to the Classes of LIBOR Certificates that are Senior Certificates, pro rata, based on their respective Class Certificate Balances, in an amount up to such Class' Carryover Shortfall Amounts remaining unpaid for such Distribution Date;

(B) concurrently, to the Classes of LIBOR Certificates that are Senior Certificates, pro rata, based on their respective Carryover Shortfall Amounts for such Distribution Date not paid pursuant to clause (A) above, in an amount up to such Class' Carryover Shortfall Amounts remaining unpaid for such Distribution Date; and

(C) to the Class X-P Certificates;

(iv) from amounts otherwise distributable to the Class X-P IO-2 Component on such Distribution Date, sequentially, as follows:

(A) concurrently, to the Classes of Subordinated Certificates, pro rata, based on their respective Class Certificate Balances, in an amount up to such Class' Carryover Shortfall Amounts remaining unpaid for such Distribution Date;

(B) concurrently, to the Classes of Subordinated Certificates, pro rata, based on their respective Carryover Shortfall Amounts for such

Distribution Date not paid pursuant to clause (A) above, in an amount up to such Class' Carryover Shortfall Amounts remaining unpaid for such Distribution Date; and

(C) to the Class X-P Certificates.

(5) On each Distribution Date, all amounts representing Prepayment Charges received during the related Prepayment Period with respect to the Mortgage Loans (including all related Master Servicer Prepayment Charge Amounts deposited pursuant to Section 3.20) will be distributed to the Holders of the Class X-P Certificates.

(b) [Reserved].

(c) Ambac shall be fully subrogated to the rights of each Holder of the Class A-3A Certificates to receive distributions of principal and interest according to Section 4.02(a) on the Class A-3A Certificates to the extent Ambac makes payments, directly or indirectly, on the account of principal or interest on any Class A-3A Certificates under the Class A-3A Policy. To the extent that Ambac has paid any amounts with respect to interest and principal, Ambac will be subrogated to the rights of each Holder of the Class A-3A Certificates with respect to such amounts and Ambac, as subrogee, will be entitled to those amounts on a pro rata basis with the Class A-3A Certificateholders.

(d) On each Distribution Date, the amount referred to in clause (i) of the definition of Class Optimal Interest Distribution Amount for each Class of Certificates or Component thereof for such Distribution Date shall be reduced for each Class of Certificates or Component thereof by the Class' Allocable Share of (A) the Net Prepayment Interest Shortfalls, (B) with respect to each Mortgage Loan that became subject to a Debt Service Reduction during the calendar month preceding the month of such Distribution Date, the interest portion of the related Debt Service Reduction and (C) each Relief Act Reduction for the Mortgage Loans incurred during the calendar month preceding the month of such Distribution Date.

(e) Notwithstanding the priority and allocation contained in Section 4.02(a)(3), if, on any Distribution Date, with respect to any Class of Subordinated Certificates (other than the Class of Subordinated Certificates then outstanding with the highest priority of distribution), the sum of the related Class Subordination Percentages of such Class and of all Classes of Subordinated Certificates which have a lower distribution priority than such Class (the "***Applicable Credit Support Percentage***") is less than the Original Applicable Credit Support Percentage for such Class, no distribution of Net Prepayments will be made to any such Classes (the "***Restricted Classes***") and the amount of such Net Prepayments otherwise distributable to the Restricted Classes shall be distributed to any Classes of Subordinated Certificates having higher distribution priorities than such Class, pro rata, based on their respective Class Certificate Balances immediately prior to such Distribution Date and shall be distributed in the sequential order provided in Section 4.02(a)(3). Notwithstanding anything in this Agreement to the contrary, the Class of Subordinated Certificates then outstanding with the highest distribution priority shall not be a Restricted Class.

(f) If Subsequent Recoveries have been received with respect to a Liquidated Mortgage Loan, the amount of such Subsequent Recoveries will be applied sequentially, in the order of

payment priority, to increase the Class Certificate Balance or Component Principal Balance of each Class of Certificates or Component thereof to which Realized Losses have been allocated, but in each case by not more than the amount of Realized Losses previously allocated to that Class of Certificates or Component pursuant to Section 4.04; *provided, however*, that such amount otherwise payable on the Class A-3A Certificates shall be paid to Ambac to the extent the amount of the related Realized Loss was paid to the holders of the Class A-3A Certificates under the Class A-3A Policy. Holders of such Certificates will not be entitled to any payment in respect of the Class Optimal Interest Distribution Amount on the amount of such increases for any Interest Accrual Period preceding the Distribution Date on which such increase occurs. Any such increases shall be applied pro rata to the Certificate Balance or Component Principal Balance of each Certificate of such Class or Component thereof.

SECTION 4.03. Allocation of Net Deferred Interest.

(a) For any Distribution Date, the Senior Percentage of the Net Deferred Interest will be allocated among the Senior Certificates and the Subordinated Percentage of the Net Deferred Interest will be allocated to the Subordinated Certificates. Among the Senior Certificates or the Subordinated Certificates, as applicable, the Net Deferred Interest allocated to a Class of Certificates shall be an amount equal to the excess, if any, of (i) the amount of interest that accrued on such Class of Certificates or its related Notional Amount Components at its respective Pass-Through Rate during the Interest Accrual Period related to that Distribution Date over (ii) the amount of interest that accrued on such Class of Certificates or its related Notional Amount Components at the related Adjusted Rate Cap during the Interest Accrual Period related to that Distribution Date.

(b) Any Net Deferred Interest allocated to a Class of Certificates will be added to the Class Certificate Balance of such Class of Certificates, except that in the case of a Class of Component Certificates, the amount of Net Deferred Interest allocated to a Notional Amount Component shall be added to the Component Principal Balance of the related Principal Only Component.

SECTION 4.04. Allocation of Realized Losses.

(a) On or prior to each Determination Date, the Trustee shall determine the total amount of Realized Losses, with respect to the related Distribution Date.

Realized Losses with respect to any Distribution Date shall be allocated as follows:

(i) [Reserved];

(ii) Any Realized Loss on the Mortgage Loans shall be allocated *first*, to the Subordinated Certificates, in reverse order of their respective distribution priorities (beginning with the Subordinated Certificates then outstanding with the lowest distribution priority) until the respective Class Certificate Balance of each such Class is reduced to zero, *second*, to the Classes of Senior Certificates or the PO Components thereof in the case of a Class of Component Certificates, pro rata, on the basis of their respective Class Certificate Balances or Component Principal Balances, as applicable, immediately prior to the related Distribution Date until the respective Class Certificate

Balance or Component Principal Balance, as applicable, of each such Class is reduced to zero, provided, however, that any Realized Losses otherwise allocable to:

- the Class A-1 and Class A-2 Certificates shall be allocated first, to the Class A-3A and Class A-3B Certificates, on a pro rata basis, until their respective Class Certificate Balances have been reduced to zero, and second, to the Class A-2 Certificates until its Class Certificate Balance is reduced to zero, and

- the Class A-5 Certificates shall be allocated to the Class A-4 Certificates until its Class Certificate Balance is reduced to zero.

For the avoidance of doubt, the Class M-1 Certificates have a higher distribution priority than each other Class of Subordinated Certificates.

(b) The Class Certificate Balance of the Class of Subordinated Certificates then outstanding with the lowest distribution priority shall be reduced on each Distribution Date by the amount, if any, by which the aggregate Class Certificate Balance of all outstanding Classes of Certificates (after giving effect to the distribution of principal and the allocation of Net Deferred Interest and Realized Losses on such Distribution Date) exceeds the Pool Stated Principal Balance as of the last day of the Due Period related to such Distribution Date.

(c) Any Realized Loss allocated to a Class of Certificates or any reduction in the Class Certificate Balance of a Class of Certificates pursuant to Section 4.04(b) above shall be allocated among the Certificates of such Class in proportion to their respective Certificate Balances.

(d) Any allocation of Realized Losses to a Certificate or to any Component or any reduction in the Certificate Balance of a Certificate, pursuant to Section 4.04(b) above shall be accomplished by reducing the Certificate Balance or Component Principal Balance, as applicable, immediately following the distributions made on the related Distribution Date in accordance with the definition of "Certificate Balance" or "Component Principal Balance," as the case may be.

SECTION 4.05. [Reserved.]

SECTION 4.06. Monthly Statements to Certificateholders.

(a) Concurrently with each distribution on a Distribution Date, the Trustee will forward by mail to each Rating Agency and make available to Certificateholders and Ambac on the Trustee's website (http://www.bnyinvestorreporting.com) a statement generally setting forth the information contained in Exhibit Q hereto.

(b) The Trustee's responsibility for disbursing the above information to the Certificateholders and Ambac is limited to the availability, timeliness and accuracy of the information provided by the Master Servicer.

(c) On or before the fifth Business Day following the end of each Prepayment Period (but in no event later than the third Business Day prior to the related Distribution Date), the

Master Servicer shall deliver to the Trustee (which delivery may be by electronic data transmission) a report in substantially the form set forth as Schedule VI to this Agreement.

(d) Within a reasonable period of time after the end of each calendar year, the Trustee shall cause to be furnished to each Person who at any time during the calendar year was a Certificateholder, a statement containing the aggregate principal distributions, aggregate interest distributions and aggregate Master Servicing Fees paid to or retained by the Master Servicer 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 provided by the Trustee pursuant to any requirements of the Code as from time to time in effect.

SECTION 4.07. Policy Matters.

(a) If, on the third Business Day before any Distribution Date, the Trustee determines that the Available Funds for such Distribution Date distributable to the Holders of the Class A-3A Certificates pursuant to Section 4.02 will be insufficient to pay the Insured Amount on such Distribution Date, the Trustee shall determine the amount of any such deficiency and shall give notice to Ambac, if any, by telephone or telecopy of the amount of such deficiency, confirmed in writing by notice substantially in the form of Exhibit A to the Class A-3A Policy by 12:00 noon, New York City time on such third Business Day. The Class A-3A Policy will not cover any reduction in the amount of current interest payable due to the Pass-Through Rate of such Certificates exceeding the Adjusted Cap Rate for the Class A-3A Certificates on such Distribution Date.

(b) In the event the Trustee receives a certified copy of an order of the appropriate court that any scheduled payment of principal or interest on a Class A-3A Certificate has been voided in whole or in part as a preference payment under applicable bankruptcy law, the Trustee shall (i) promptly notify Ambac, and (ii) comply with the provisions of the Class A-3A Policy to obtain payment by Ambac of such voided scheduled payment. In addition, the Trustee shall mail notice to all Holders of the Class A-3A Certificates so affected that, in the event that any such Holder's scheduled payment is so recovered, such Holder will be entitled to payment pursuant to the terms of the Class A-3A Policy a copy of which shall be made available to such Holders by the Trustee. The Trustee shall furnish to Ambac, if any, its records listing the payments on the affected Class A-3A Certificates, if any, that have been made by the Trustee and subsequently recovered from the affected Holders, and the dates on which such payments were made by the Trustee.

(c) At the time of the execution hereof, and for the purposes hereof, the Trustee shall establish a separate special purpose trust account in the name of the Trustee for the benefit of Holders of the Class A-3A Certificates (the "Class A-3A Policy Payments Account") over which the Trustee shall have exclusive control and sole right of withdrawal. The Class A-3A Policy Payments Account shall be an Eligible Account. The Trustee shall deposit any amount paid under the Class A-3A Policy into the Class A-3A Policy Payments Account and distribute such amount only for the purposes of making the payments to Holders of the Class A-3A Certificates in respect of the Insured Amount for which the related claim was made under the Class A-3A Policy. Such amounts shall be allocated by the Trustee to Holders of Class A-3A Certificates affected by such shortfalls in the same manner as principal and interest payments are to be

allocated with respect to such Certificates pursuant to Section 4.02. It shall not be necessary for such payments to be made by checks or wire transfers separated from the checks or wire transfers used to make regular payments hereunder with funds withdrawn from the Distribution Account. However, any payments made on the Class A-3A Certificates from funds in the Class A-3A Policy Payments Account shall be noted as provided in subsection (e) below. Funds held in the Class A-3A Policy Payments Account shall not be invested by the Trustee.

(d) Any funds received from Ambac for deposit into the Class A-3A Policy Payments Account pursuant to the Class A-3A Policy in respect of a Distribution Date or otherwise as a result of any claim under the Class A-3A Policy shall be applied by the Trustee directly to the payment in full (i) of the Insured Amount due on such Distribution Date on the Class A-3A Certificates, or (ii) of other amounts payable under the Class A-3A Policy. Funds received by the Trustee as a result of any claim under the Class A-3A Policy shall be used solely for payment to the Holders of the Class A-3A Certificates and may not be applied for any other purpose, including, without limitation, satisfaction of any costs, expenses or liabilities of the Trustee, the Master Servicer or the Trust Fund. Any funds remaining in the Class A-3A Policy Payments Account on the first Business Day after each Distribution Date shall be remitted promptly to Ambac in accordance with the instructions set forth in Section 5.01.

(e) The Trustee shall keep complete and accurate records in respect of (i) all funds remitted to it by Ambac and deposited into the Class A-3A Policy Payments Account and (ii) the allocation of such funds to (A) payments of interest on and principal in respect of any Class A-3A Certificates, (B) Realized Losses allocated to the Class A-3A Certificates and (C) the amount of funds available to make distributions on the Class A-3A Certificates pursuant to Section 4.02. Ambac shall have the right to inspect such records at reasonable times during normal business hours upon three Business Days' prior notice to the Trustee.

(f) The Trustee acknowledges, and each Holder of a Class A-3A Certificate by its acceptance of the Class A-3A Certificate agrees, that, without the need for any further action on the part of Ambac or the Trustee, to the extent Ambac makes payments, directly or indirectly, on account of principal of or interest on any Class A-3A Certificates, Ambac will be fully subrogated to the rights of the Holders of such Class A-3A Certificates to receive such principal and interest from the Trust Fund. The Holders of the Class A-3A Certificates, by acceptance of the Class A-3A Certificates, assign their rights as Holders of the Class A-3A Certificates to the extent of Ambac's interest with respect to amounts paid under the Class A-3A Policy. Anything herein to the contrary notwithstanding, solely for purposes of determining Ambac's rights, as applicable, as subrogee for payments distributable pursuant to Section 4.02, any payment with respect to distributions to the Class A-3A Certificates which is made with funds received pursuant to the terms of the Class A-3A Policy, shall not be considered payment of the Class A-3A Certificates from the Trust Fund and shall not result in the distribution or the provision for the distribution in reduction of the Class Certificate Balance of the Class A-3A Certificates within the meaning of Article IV.

(g) Upon its becoming aware of the occurrence of an Event of Default, the Trustee shall promptly notify Ambac of such Event of Default.

(h) The Trustee shall promptly notify Ambac of either of the following as to which it has actual knowledge: (A) the commencement of any proceeding by or against the Depositor

commenced under the United States bankruptcy code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") and (B) the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer (a "Preference Claim") of any distribution made with respect to the Class A-3A Certificates as to which it has actual knowledge. Each Holder of a Class A-3A Certificate, by its purchase of Class A-3A Certificates, and the Trustee hereby agrees that Ambac (so long as no Ambac Default exists) may at any time during the continuation of any proceeding relating to a Preference Claim direct all matters relating to such Preference Amount, including, without limitation, (i) the direction of any appeal of any order relating to any Preference Amount and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition and without limitation of the foregoing, Ambac shall be subrogated to the rights of the Trustee and each Holder of a Class A-3A Certificate in the conduct of any Preference Claim, including, without limitation, all rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Preference Claim.

(i) The Master Servicer shall designate an Ambac Contact Person who shall be available to Ambac upon Ambac's request to provide reasonable access to information regarding the Mortgage Loans.

(j) The Trustee shall surrender the Class A-3A Policy to Ambac for cancellation upon the reduction of the Class Certificate Balance of the Class A-3A Certificates to zero.

(k) The Trustee shall send to Ambac the reports prepared pursuant to Sections 3.16 and 11.07 and the statements prepared pursuant to Section 4.06, as well as any other statements or communications sent to Holders of the Class A-3A Certificates, in each case at the same time such reports, statements and communications are otherwise sent.

(l) For so long as there is no continuing default by Ambac under its obligations under the Class A-3A Policy (an "Ambac Default"), each Holder of a Class A-3A Certificate agrees that Ambac shall be treated by the Depositor, the Master Servicer and the Trustee as if Ambac were the Holder of all of the Class A-3A Certificates for the purpose (and solely for the purpose) of the giving of any consent, the making of any direction or the exercise of any voting or other control rights otherwise given to the Holders of the Class A-3A Certificates hereunder.

(m) With respect to this Section 4.07, (i) the terms "Receipt" and "Received" shall mean actual delivery to Ambac and the Fiscal Agent, if any, if any, prior to 12:00 noon, New York City time, on a Business Day; delivery either on a day that is not a Business Day or after 12:00 noon, New York City time, shall be deemed to be Receipt on the next succeeding Business Day. If any notice or certificate given under the Class A-3A Policy by the Trustee is not in proper form or is not properly completed, executed or delivered, or contains any misstatement, it shall be deemed not to have been Received. Ambac, if any, shall promptly so advise the Trustee and the Trustee may submit an amended notice and (ii) "Business Day" means any day other than (A) a Saturday or Sunday or (B) a day on which Ambac or banking institutions in the City of New York, New York, or the city in which the Corporate Trust Office of the Trustee is located, are authorized or obligated by law or executive order to be closed.

(n) Under the terms of the Class A-3A Policy, Insured Amounts will not include, and the Class A-3A Policy will not cover interest shortfalls due to any Net Prepayment Interest

Shortfalls, Relief Act Reductions, Debt Service Reductions, Net Interest Shortfalls, Carryover Shortfall Amounts or any taxes, withholding or other charges imposed by any governmental authority.

SECTION 4.08. Determination of Pass-Through Rates for LIBOR Certificates.

(a) On each Interest Determination Date so long as any LIBOR Certificates are outstanding, the Trustee will determine LIBOR on the basis of the rate for one-month deposits in U.S. dollars quoted on the Bloomberg Terminal for such LIBOR Determination Date.

(b) If on any Interest Determination Date, LIBOR cannot be determined as provided in paragraph (a) of this Section 4.08, the Trustee shall determine LIBOR on the basis of the British Bankers' Association ("BBA") "Interest Settlement Rate" for one-month deposits in U.S. dollars as found on Telerate page 3750 as of 11:00 a.m. London time on each LIBOR Determination Date. "Telerate Page 3750" means the display page currently so designated on the Moneyline Telerate Service (formerly the Dow Jones Markets) (or such other page as may replace that page on that service for the purpose of displaying comparable rates or prices).

(c) If on any Interest Determination Date, LIBOR cannot be determined as provided in paragraph (a) or (b) of this Section 4.08, the Trustee shall either (i) request each Reference Bank to inform the Trustee of the quotation offered by its principal London office for making one-month United States dollar deposits in leading banks in the London interbank market, as of 11:00 a.m. (London time) on such Interest Determination Date or (ii) in lieu of making any such request, rely on such Reference Bank quotations that appear at such time on Telerate Page 3750. LIBOR for the next Interest Accrual Period will be established by the Trustee on each Interest Determination Date as follows:

(i) If on any Interest Determination Date two or more Reference Banks provide such offered quotations, LIBOR for the next applicable Interest Accrual Period shall be the arithmetic mean of such offered quotations (rounding such arithmetic mean upwards if necessary to the nearest whole multiple of 1/32%).

(ii) If on any Interest Determination Date only one or none of the Reference Banks provides such offered quotations, LIBOR for the next Interest Accrual Period shall be whichever is the higher of (i) LIBOR as determined on the previous Interest Determination Date or (ii) the Reserve Interest Rate. The "Reserve Interest Rate" shall be the rate per annum which the Trustee determines to be either (i) the arithmetic mean (rounded upwards if necessary to the nearest whole multiple of 1/32%) of the one-month United States dollar lending rates that New York City banks selected by the Trustee are quoting, on the relevant Interest Determination Date, to the principal London offices of at least two of the Reference Banks to which such quotations are, in the opinion of the Trustee, being so made, or (ii) in the event that the Trustee can determine no such arithmetic mean, the lowest one-month United States dollar lending rate which New York City banks selected by the Trustee are quoting on such Interest Determination Date to leading European banks.

(iii) If on any Interest Determination Date the Trustee is required but is unable to determine the Reserve Interest Rate in the manner provided in paragraph (b) above,

LIBOR for the related Classes of Certificates shall be LIBOR as determined on the preceding applicable Interest Determination Date or, in the case of the first Interest Determination Date, 5.320%.

Until all of the LIBOR Certificates are paid in full, the Trustee will at all times retain at least four Reference Banks for the purpose of determining LIBOR with respect to each Interest Determination Date. The Master Servicer initially shall designate the Reference Banks. Each "Reference Bank" shall be a leading bank engaged in transactions in Eurodollar deposits in the international Eurocurrency market, shall not control, be controlled by, or be under common control with, the Trustee and shall have an established place of business in London. If any such Reference Bank should be unwilling or unable to act as such or if the Master Servicer should terminate its appointment as Reference Bank, the Trustee shall promptly appoint or cause to be appointed another Reference Bank. The Trustee shall have no liability or responsibility to any Person for (i) the selection of any Reference Bank for purposes of determining LIBOR or (ii) any inability to retain at least four Reference Banks which is caused by circumstances beyond its reasonable control.

(d) The Pass-Through Rate for each Class of LIBOR Certificates for each Interest Accrual Period shall be determined by the Trustee on each Interest Determination Date so long as the LIBOR Certificates are outstanding on the basis of LIBOR and the respective formulae appearing in footnotes corresponding to the LIBOR Certificates in the table relating to the Certificates in the Preliminary Statement.

In determining LIBOR, any Pass-Through Rate for the LIBOR Certificates, any Interest Settlement Rate, or any Reserve Interest Rate, the Trustee may conclusively rely and shall be protected in relying upon the offered quotations (whether written, oral or on the Dow Jones Markets) from the BBA designated banks, the Reference Banks or the New York City banks as to LIBOR, the Interest Settlement Rate or the Reserve Interest Rate, as appropriate, in effect from time to time. The Trustee shall not have any liability or responsibility to any Person for (i) the Trustee's selection of New York City banks for purposes of determining any Reserve Interest Rate or (ii) its inability, following a good-faith reasonable effort, to obtain such quotations from, the BBA designated banks, the Reference Banks or the New York City banks or to determine such arithmetic mean, all as provided for in this Section 4.08.

The establishment of LIBOR and each Pass-Through Rate for the LIBOR Certificates by the Trustee shall (in the absence of manifest error) be final, conclusive and binding upon each Holder of a Certificate and the Trustee.

SECTION 4.09. [Reserved].

ARTICLE V
THE CERTIFICATES

SECTION 5.01. The Certificates.

The Certificates shall be substantially in the forms attached hereto as exhibits. The Certificates shall be issuable in registered form, in the minimum denominations, integral multiples in excess thereof (except that one Certificate in each Class may be issued in a different amount which must be in excess of the applicable minimum denomination) and aggregate denominations per Class set forth in the Preliminary Statement.

Subject to Section 9.02 respecting the final distribution on the Certificates, on each Distribution Date the Trustee shall make distributions to each Certificateholder of record on the preceding Record Date either (x) by wire transfer in immediately available funds to the account of such holder at a bank or other entity having appropriate facilities therefor, if (i) such Holder has so notified the Trustee at least five Business Days prior to the related Record Date and (ii) such Holder shall hold (A) a Class of Component Certificates, (B) 100% of the Class Certificate Balance of any Class of Certificates, (C) Certificates of any Class with aggregate principal Denominations of not less than $1,000,000 or (D) a Class X-P Certificate, or (y) by check mailed by first class mail to such Certificateholder at the address of such holder appearing in the Certificate Register. Payments to Ambac shall be made by wire transfer of immediately available funds to the following account, unless Ambac notifies the Trustee in writing: Account Name: Ambac Assurance Corporation, Citibank, NA, ABA # 021000089, DDA# 40609486, Re: CWALT 2006-OA19—Policy No. AB1045BE Class A-3A Certificates.

The Certificates shall be executed by manual or facsimile signature on behalf of the Trustee by an authorized 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 Trustee, notwithstanding that such individuals or any of them have ceased to be so authorized prior to the countersignature 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 countersigned by the Trustee by manual signature, and such countersignature upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly executed and delivered hereunder. All Certificates shall be dated the date of their countersignature. On the Closing Date, the Trustee shall countersign the Certificates to be issued at the direction of the Depositor, or any affiliate of the Depositor.

The Depositor shall provide, or cause to be provided, to the Trustee on a continuous basis, an adequate inventory of Certificates to facilitate transfers.

SECTION 5.02. Certificate Register; Registration of Transfer and Exchange of Certificates.

(a) The Trustee shall maintain, or cause to be maintained in accordance with the provisions of Section 5.06, a Certificate Register for the Trust Fund in which, subject to the provisions of subsections (b) and (c) below and to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration of Certificates and of transfers and

exchanges of Certificates as provided in this Agreement. Upon surrender for registration of transfer of any Certificate, the Trustee shall execute and deliver, in the name of the designated transferee or transferees, one or more new Certificates of the same Class and aggregate Percentage Interest.

At the option of a Certificateholder, Certificates may be exchanged for other Certificates of the same Class in authorized denominations and evidencing the same aggregate Percentage Interest upon surrender of the Certificates to be exchanged at the office or agency of the Trustee. Whenever any Certificates are so surrendered for exchange, the Trustee shall execute, 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 be accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the holder thereof or his attorney duly authorized in writing.

No service charge to the Certificateholders shall be made for any registration of transfer or exchange of Certificates, but 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 may be required.

All Certificates surrendered for registration of transfer or exchange shall be cancelled and subsequently destroyed by the Trustee in accordance with the Trustee's customary procedures.

(b) No transfer of a Private Certificate shall be made unless such transfer is made pursuant to an effective registration statement under the Securities Act and any applicable state securities laws or is exempt from the registration requirements under said Act and such state securities laws. In the event that a transfer is to be made in reliance upon an exemption from the Securities Act and such laws, in order to assure compliance with the Securities Act and such laws, the Certificateholder desiring to effect such transfer and such Certificateholder's prospective transferee shall each certify to the Trustee in writing the facts surrounding the transfer in substantially the form set forth in the applicable Exhibit J (the "***Transferor Certificate***") and (i) deliver a letter in substantially the form of either Exhibit K (the "***Investment Letter***") or Exhibit L-1 (the "***Rule 144A Letter***") or (ii) there shall be delivered to the Trustee at the expense of the transferor an Opinion of Counsel that such transfer may be made pursuant to an exemption from the Securities Act. The Depositor shall provide to any Holder of a Private Certificate and any prospective transferee designated by any such Holder, information regarding the related Certificates and the Mortgage Loans and such other information as shall be necessary to satisfy the condition to eligibility set forth in Rule 144A(d)(4) for transfer of any such Certificate without registration thereof under the Securities Act pursuant to the registration exemption provided by Rule 144A. The Trustee and the Master Servicer shall cooperate with the Depositor in providing the Rule 144A information referenced in the preceding sentence, including providing to the Depositor such information regarding the Certificates, the Mortgage Loans and other matters regarding the Trust Fund as the Depositor shall reasonably request to meet its obligation under the preceding sentence. Each Holder of a Private Certificate desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee and the Depositor, the Sellers and the Master 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 an ERISA-Restricted Certificate shall be made unless the Trustee shall have received either (i) a representation from the transferee of such Certificate acceptable to and in form and substance satisfactory to the Trustee (in the event such Certificate is a Private Certificate, such requirement is satisfied only by the Trustee's receipt of a representation letter from the transferee substantially in the form of Exhibit K or Exhibit L-1, or in the event such Certificate is a Residual Certificate, such requirement is satisfied only by the Trustee's receipt of a representation letter from the transferee substantially in the form of Exhibit I), to the effect that (x) such transferee is not an employee benefit plan or arrangement subject to Section 406 of ERISA or a plan or arrangement subject to Section 4975 of the Code, nor a person acting on behalf of any such plan or arrangement, or using the assets of any such plan or arrangement to effect such transfer or (y) in the case of a Certificate that is an ERISA-Restricted Certificate and that has been the subject of an ERISA-Qualifying Underwriting, a representation that the purchaser is an insurance company which is purchasing such Certificate 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 Certificate satisfy the requirements for exemptive relief under Sections I and III of PTCE 95-60 or (ii) in the case of any ERISA-Restricted Certificate presented for registration in the name of an employee benefit plan or arrangement 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 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 Trustee, which Opinion of Counsel shall not be an expense of the Trustee, the Master Servicer or the Trust Fund, addressed to the Trustee and the Master Servicer, to the effect that the purchase and holding of such ERISA-Restricted Certificate will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and will not subject the Trustee or the Master Servicer to any obligation in addition to those expressly undertaken in this Agreement or to any liability (such Opinion of Counsel, a "***Benefit Plan Opinion***"). For purposes of the preceding sentence, with respect to an ERISA-Restricted Certificate that is not a Residual Certificate, in the event the representation letter or Benefit Plan Opinion referred to in the preceding sentence is not so furnished, one of the representations in clause (i), as appropriate, shall be deemed to have been made to the Trustee by the transferee's (including an initial acquirer's) acceptance of the ERISA-Restricted Certificates. Notwithstanding anything else to the contrary in this Agreement, any purported transfer of an ERISA-Restricted Certificate to or on behalf of an employee benefit plan or arrangement subject to ERISA or to Section 4975 of the Code without the delivery to the Trustee of a Benefit Plan Opinion satisfactory to the Trustee as described above shall be void and of no effect.

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 Certificate that is in fact not permitted by this Section 5.02(b) 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.

No transfer of a Covered Certificate (other than a transfer of a Covered Certificate to an affiliate of the Depositor (either directly or through a nominee) in connection with the initial issuance of the Certificates) shall be made unless the Trustee shall have received a representation

letter from the transferee of such Covered Certificate substantially in the form of Exhibit L-2 to the effect that (i) such transferee is not a Plan, or (ii) the purchase and holding of the Covered Certificate satisfies the requirements for exemptive relief under PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23, the service provider exemption provided under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code or a similar exemption. In the event that such representation letter is not delivered, one of the foregoing representations, as appropriate, shall be deemed to have been made by the transferee's (including an initial acquirer's) acceptance of the Covered Certificate. In the event that such representation is violated, such transfer or acquisition shall be void and of no effect.

(c) 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 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 Trustee of any change or impending change in its status as a Permitted Transferee.

(ii) Except in connection with (i) the registration of the Tax Matters Person Certificate in the name of the Trustee or (ii) any registration in the name of, or transfer of a Residual Certificate to, an affiliate of the Depositor (either directly or through a nominee) in connection with the initial issuance of the Certificates, no Ownership Interest in a Residual Certificate may be registered on the Closing Date or thereafter transferred, and the Trustee shall not register the Transfer of any Residual Certificate unless the Trustee shall have been furnished with an affidavit (a "***Transfer Affidavit***") of the initial owner or the proposed transferee in the form attached to this Agreement as Exhibit I.

(iii) Each Person holding or acquiring any Ownership Interest in a Residual Certificate shall agree (A) to obtain a Transfer Affidavit from any other Person to whom such Person attempts to Transfer its Ownership Interest in a Residual Certificate, (B) to obtain a Transfer Affidavit from any Person for whom such Person is acting as nominee, trustee or agent in connection with any Transfer of a Residual Certificate and (C) not to Transfer its Ownership Interest in a Residual Certificate or to cause the Transfer of an Ownership Interest in a Residual Certificate to any other Person if it has actual knowledge that such Person is not a Permitted Transferee.

(iv) Any attempted or purported Transfer of any Ownership Interest in a Residual Certificate in violation of the provisions of this Section 5.02(c) shall be absolutely null and void and shall vest no rights in the purported Transferee. If any purported transferee shall become a Holder of a Residual Certificate in violation of the provisions of this Section 5.02(c), then the last preceding Permitted Transferee shall be restored to all rights as Holder thereof retroactive to the date of 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 Section 5.02(b) and this Section 5.02(c) 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 after

receipt of the related Transfer Affidavit and Transferor Certificate. The Trustee shall be entitled but not obligated to recover from any Holder of a Residual Certificate that was in fact not a Permitted Transferee at the time it became a Holder or, at such subsequent time as it became other than a Permitted Transferee, all payments made on such Residual 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 Permitted Transferee of such Certificate.

(v) The Depositor shall use its best efforts to make available, upon receipt of written request from the Trustee, all information necessary to compute any tax imposed under section 860E(e) of the Code as a result of a Transfer of an Ownership Interest in a Residual Certificate to any Holder who is not a Permitted Transferee.

The restrictions on Transfers of a Residual Certificate set forth in this Section 5.02(c) shall cease to apply (and the applicable portions of the legend on a Residual Certificate may be deleted) with respect to Transfers occurring after delivery to the Trustee of an Opinion of Counsel, which Opinion of Counsel shall not be an expense of the Trust Fund, the Trustee, the Master Servicer or any Seller, to the effect that the elimination of such restrictions will not cause any REMIC hereunder to fail to qualify as a REMIC at any time that the Certificates are outstanding or result in the imposition of any tax on the Trust Fund, a Certificateholder or another Person. Each Person holding or acquiring any Ownership Interest in a Residual Certificate hereby consents to any amendment of this Agreement which, based on an Opinion of Counsel furnished to the Trustee, is reasonably necessary (a) to ensure that the record ownership of, or any beneficial interest in, a Residual Certificate is not transferred, directly or indirectly, to a Person that is not a Permitted Transferee and (b) to provide for a means to compel the Transfer of a Residual Certificate which is held by a Person that is not a Permitted Transferee to a Holder that is a Permitted Transferee.

(d) The preparation and delivery of all certificates and opinions referred to above in this Section 5.02 in connection with transfer shall be at the expense of the parties to such transfers.

(e) Except as provided 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 the 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 Book-Entry Certificates; (iii) ownership and transfers of registration of the Book-Entry 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 deal with the Depository, Depository Participants and indirect participating firms as representatives of the Certificate Owners of the Book-Entry Certificates for purposes of exercising the rights of holders under this Agreement, and requests and directions for and votes of such representatives shall not be deemed to be inconsistent if they are made with respect to different Certificate Owners; and (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.

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 Owner. Each Depository Participant shall only transfer Book-Entry Certificates of Certificate Owners it represents or of brokerage firms for which it acts as agent in accordance with the Depository's normal procedures.

If (x) (i) the Depository or the Depositor advises the Trustee in writing that the Depository is no longer willing or able to properly discharge its responsibilities as Depository, and (ii) the Trustee or the Depositor is unable to locate a qualified successor or (y) after the occurrence of an Event of Default, Certificate Owners representing at least 51% of the Certificate Balance of the Book-Entry Certificates together advise the Trustee and the Depository through the Depository Participants in writing that the continuation of a book-entry system through the Depository is no longer in the best interests of the Certificate Owners, the Trustee shall notify all Certificate Owners, through the Depository, of the occurrence of any such event and of the availability of definitive, fully-registered Certificates (the "***Definitive Certificates***") to Certificate Owners requesting the same. Upon surrender to the Trustee of the related Class of Certificates by the Depository, accompanied by the instructions from the Depository for registration, the Trustee shall issue the Definitive Certificates. Neither the Master Servicer, the Depositor nor the Trustee shall be liable for any delay in delivery of such instruction and each may conclusively rely on, and shall be protected in relying on, such instructions. The Master Servicer shall provide the Trustee with an adequate inventory of certificates to facilitate the issuance and transfer of Definitive Certificates. Upon the issuance of Definitive Certificates all references in this Agreement to obligations imposed upon or to be performed by the Depository 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; provided that the Trustee shall not by virtue of its assumption of such obligations become liable to any party for any act or failure to act of the Depository.

SECTION 5.03. Mutilated, Destroyed, Lost or Stolen Certificates.

If (a) any mutilated Certificate is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Certificate and (b) there is delivered to the Master Servicer and the Trustee (and with respect to the Class A-3A Certificates, Ambac) 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 that such Certificate has been acquired by a bona fide purchaser, the Trustee shall execute, countersign and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like Class, tenor and Percentage Interest. In connection with the issuance of any new Certificate under this Section 5.03, the Trustee 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) connected therewith. Any replacement Certificate issued pursuant to this Section 5.03 shall constitute complete and indefeasible evidence of ownership, 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 Master Servicer, the Trustee and any agent of the Master Servicer or the Trustee may treat the Person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving distributions as provided in this Agreement and for all other purposes whatsoever, and neither the Master Servicer, the Trustee nor any agent of the Master Servicer or the Trustee shall be affected by any notice to the contrary.

SECTION 5.05. Access to List of Certificateholders' Names and Addresses.

If three or more Certificateholders and/or Certificate Owners (a) request such information in writing from the Trustee, (b) state that such Certificateholders and/or Certificate Owners desire to communicate with other Certificateholders and/or Certificate Owners with respect to their rights under this Agreement or under the Certificates, and (c) provide a copy of the communication which such Certificateholders and/or Certificate Owners propose to transmit, or if the Depositor or Master Servicer shall request such information in writing from the Trustee, then the Trustee shall, within ten Business Days after the receipt of such request, (x) provide the Depositor, the Master Servicer or such Certificateholders and/or Certificate Owners at such recipients' expense the most recent list of the Certificateholders of such Trust Fund held by the Trustee, if any, and (y) assist the Depositor, the Master Servicer or such Certificateholders and/or Certificate Owners at such recipients' expense with obtaining from the Depository a list of the related Depository Participants acting on behalf of Certificate Owners of Book Entry Certificates. The Depositor and every Certificateholder and Certificate Owner, by receiving and holding a Certificate or beneficial interest therein, agree that the Trustee shall not be held accountable by reason of the disclosure of any such information as to the list of the Certificateholders and/or Depository Participants hereunder, regardless of the source from which such information was derived.

SECTION 5.06. Maintenance of Office or Agency.

The Trustee will maintain or cause to be maintained at its expense an office or offices or agency or agencies in New York City where Certificates may be surrendered for registration of transfer or exchange. The Trustee initially designates its Corporate Trust Office for such purposes. The Trustee will give prompt written notice to the Certificateholders and Ambac of any change in such location of any such office or agency.

ARTICLE VI
THE DEPOSITOR AND THE MASTER SERVICER

SECTION 6.01. Respective Liabilities of the Depositor and the Master Servicer.

The Depositor and the Master Servicer shall each be liable in accordance with this Agreement only to the extent of the obligations specifically and respectively imposed upon and undertaken by them in this Agreement.

SECTION 6.02. Merger or Consolidation of the Depositor or the Master Servicer.

The Depositor will keep in full effect its existence, rights and franchises as a corporation under the laws of the United States or under the laws of one of the states thereof and will obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement, or any of the Mortgage Loans and to perform its duties under this Agreement. The Master Servicer will keep in effect its existence, rights and franchises as a limited partnership under the laws of the United States or under the laws of one of the states thereof and will obtain and preserve its qualification or registration to do business as a foreign partnership in each jurisdiction in which such qualification or registration is or shall be necessary to protect the validity and enforceability of this Agreement or any of the Mortgage Loans and to perform its duties under this Agreement.

Any Person into which the Depositor or the Master Servicer may be merged or consolidated, or any Person resulting from any merger or consolidation to which the Depositor or the Master Servicer shall be a party, or any person succeeding to the business of the Depositor or the Master Servicer, shall be the successor of the Depositor or the Master Servicer, 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 in this Agreement to the contrary notwithstanding; provided, however, that the successor or surviving Person to the Master Servicer shall be qualified to service mortgage loans on behalf of, FNMA or FHLMC.

As a condition to the effectiveness of any merger or consolidation, at least 15 calendar days prior to the effective date of any merger or consolidation of the Master Servicer, the Master Servicer shall provide (x) written notice to the Depositor of any successor pursuant to this Section and (y) in writing and in form and substance reasonably satisfactory to the Depositor, all information reasonably requested by the Depositor in order to comply with its reporting obligation under Item 6.02 of Form 8-K with respect to a replacement Master Servicer.

SECTION 6.03. Limitation on Liability of the Depositor, the Sellers, the Master Servicer and Others.

None of the Depositor, the Master Servicer or any Seller or any of the directors, officers, employees or agents of the Depositor, the Master Servicer or any Seller shall be under any liability to 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 Depositor, the Master Servicer, any Seller or any such Person against any breach of representations or warranties made by it in this Agreement or

protect the Depositor, the Master Servicer, any Seller or any such Person from any liability which would otherwise be imposed by reasons of willful misfeasance, bad faith or gross negligence in the performance of duties or by reason of reckless disregard of obligations and duties hereunder. The Depositor, the Master Servicer, each Seller and any director, officer, employee or agent of the Depositor, the Master Servicer or each Seller may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising under this Agreement. The Depositor, the Master Servicer, each Seller and any director, officer, employee or agent of the Depositor, the Master Servicer or any Seller shall be indemnified by the Trust Fund and held harmless against any loss, liability or expense incurred in connection with any audit, controversy or judicial proceeding relating to a governmental taxing authority or any legal action relating to this Agreement or the Certificates, other than any loss, liability or expense related to any specific Mortgage Loan or Mortgage Loans (except as any such loss, liability or expense shall be otherwise reimbursable pursuant to this Agreement) and any loss, liability or expense incurred by reason of willful misfeasance, bad faith or gross negligence in the performance of duties hereunder or by reason of reckless disregard of obligations and duties hereunder. None of the Depositor, the Master Servicer or any Seller shall be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its respective duties hereunder and which in its opinion may involve it in any expense or liability; provided, however, that any of the Depositor, the Master Servicer or any Seller may in its discretion undertake any such action that it may deem necessary or desirable in respect of this Agreement and the rights and duties of the parties hereto and interests of the Trustee and 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 Depositor, the Master Servicer and each Seller shall be entitled to be reimbursed therefor out of the Certificate Account.

SECTION 6.04. Limitation on Resignation of Master Servicer.

The Master Servicer shall not resign from the obligations and duties hereby imposed on it except (a) upon appointment of a successor servicer and receipt by the Trustee of a letter from each Rating Agency that such a resignation and appointment will not result in a downgrade or withdrawal of the rating of any of the Certificates without regard to the Class A-3A Policy, or (b) upon determination that its duties hereunder are no longer permissible under applicable law. Any such determination under clause (b) permitting the resignation of the Master Servicer shall be evidenced by an Opinion of Counsel to such effect delivered to the Trustee. No such resignation shall become effective until the Trustee or a successor master servicer shall have assumed the Master Servicer's responsibilities, duties, liabilities and obligations under this Agreement and the Depositor shall have received the information described in the following sentence. As a condition to the effectiveness of any such resignation, at least 15 calendar days prior to the effective date of any such resignation, the Master Servicer shall provide (x) written notice to the Depositor of any successor pursuant to this Section and (y) in writing and in form and substance reasonably satisfactory to the Depositor, all information reasonably requested by the Depositor in order to comply with its reporting obligation under Item 6.02 of Form 8-K with respect to the resignation of the Master Servicer.

ARTICLE VII
DEFAULT

SECTION 7.01. Events of Default.

"***Event of Default***," wherever used in this Agreement, means any one of the following events:

(i) any failure by the Master Servicer to deposit in the Certificate Account or remit to the Trustee any payment required to be made under the terms of this Agreement, which failure shall continue unremedied for five days after the date upon which written notice of such failure shall have been given to the Master Servicer by the Trustee or the Depositor or to the Master Servicer and the Trustee by the Holders of Certificates having not less than 25% of the Voting Rights evidenced by the Certificates; or

(ii) any failure by the Master Servicer 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 (except with respect to a failure related to a Limited Exchange Act Reporting Obligation), which failure materially affects the rights of Certificateholders, that failure continues unremedied for a period of 60 days after the date on which written notice of such failure shall have been given to the Master Servicer by the Trustee or the Depositor, or to the Master Servicer and the Trustee by the Holders of Certificates evidencing not less than 25% of the Voting Rights evidenced by the Certificates; *provided, however,* that the sixty day cure period shall not apply to the initial delivery of the Mortgage File for Delay Delivery Mortgage Loans or the failure to substitute or repurchase in lieu of delivery; or

(iii) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a 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 consecutive days; or

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

(v) 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, or commence a voluntary case under, any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or

(vi) the Master Servicer shall fail to reimburse in full the Trustee within five days of the Master Servicer Advance Date for any Advance made by the Trustee pursuant to Section 4.01(b) together with accrued and unpaid interest.

If (a) an Event of Default described in clauses (i) to (vi) of this Section shall occur, then, and in each and every such case, so long as such Event of Default shall not have been remedied, the Trustee may, or (b) an Event of Default described in clauses (i) to (v) of this Section shall occur, then, and in each and every such case, so long as such Event of Default shall not have been remedied, at the direction of the Holders of Certificates evidencing not less than 66 2/3% of the Voting Rights evidenced by such Certificates, the Trustee shall by notice in writing to the Master Servicer (with a copy to each Rating Agency and the Depositor), terminate all of the rights and obligations of the Master Servicer under this Agreement and in and to the Mortgage Loans and the proceeds thereof, other than its rights as a Certificateholder hereunder.

In addition, if during the period that the Depositor is required to file Exchange Act Reports with respect to the Trust Fund, the Master Servicer shall fail to observe or perform any of the obligations that constitute a Limited Exchange Act Reporting Obligation or the obligations set forth in Section 3.16(a) or Section 11.07(a)(1) and (2), and such failure continues for the lesser of 10 calendar days or such period in which the applicable Exchange Act Report can be filed timely (without taking into account any extensions), so long as such failure shall not have been remedied, the Trustee shall, but only at the direction of the Depositor, terminate all of the rights and obligations of the Master Servicer under this Agreement and in and to the Mortgage Loans and the proceeds thereof, other than its rights as a Certificateholder hereunder. The Depositor shall not be entitled to terminate the rights and obligations of the Master Servicer if a failure of the Master Servicer to identify a Subcontractor "participating in the servicing function" within the meaning of Item 1122 of Regulation AB was attributable solely to the role or functions of such Subcontractor with respect to mortgage loans other than the Mortgage Loans.

On and after the receipt by the Master Servicer of such written notice, all authority and power of the Master Servicer hereunder, whether with respect to the related Mortgage Loans or otherwise, shall pass to and be vested in the Trustee. The Trustee shall thereupon make any Advance which the Master Servicer failed to make subject to Section 4.01 whether or not the obligations of the Master Servicer have been terminated pursuant to this Section. The Trustee is hereby authorized and empowered to execute and deliver, on behalf of the 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. Unless expressly provided in such written notice, no such termination shall affect any obligation of the Master Servicer to pay amounts owed pursuant to Article VIII. The Master Servicer agrees to cooperate with the Trustee in effecting the termination of the Master Servicer's responsibilities and rights hereunder, including, without limitation, the transfer to the Trustee of all cash amounts which shall at the time be credited to the Certificate Account, or thereafter be received with respect to the Mortgage Loans.

Notwithstanding any termination of the activities of the Master Servicer hereunder, the Master Servicer shall be entitled to receive, out of any late collection of a Scheduled Payment on a Mortgage Loan which was due prior to the notice terminating such Master Servicer's rights and obligations as Master Servicer hereunder and received after such notice, that portion thereof to which such Master Servicer would have been entitled pursuant to Sections 3.08(a)(i) through (viii), and any other amounts payable to such Master Servicer hereunder the entitlement to which arose prior to the termination of its activities under this Agreement.

If the Master Servicer is terminated, the Trustee shall provide the Depositor in writing and in form and substance reasonably satisfactory to the Depositor, all information reasonably requested by the Depositor in order to comply with its reporting obligation under Item 6.02 of Form 8-K with respect to a successor master servicer in the event the Trustee should succeed to the duties of the Master Servicer as set forth herein.

SECTION 7.02. Trustee to Act; Appointment of Successor.

On and after the time the Master Servicer receives a notice of termination pursuant to Section 7.01, the Trustee shall, subject to and to the extent provided in Section 3.04, be the successor to the Master Servicer in its capacity as master servicer under this Agreement and the transactions set forth or provided for in this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Master Servicer by the terms and provisions of this Agreement and applicable law including the obligation to make Advances pursuant to Section 4.01. As compensation therefor, the Trustee shall be entitled to all funds relating to the Mortgage Loans that the Master Servicer would have been entitled to charge to the Certificate Account or Distribution Account if the Master Servicer had continued to act hereunder. Notwithstanding the foregoing, if the Trustee has become the successor to the Master Servicer in accordance with Section 7.01, the Trustee may, if it shall be unwilling to so act, or shall, if it is prohibited by applicable law from making Advances pursuant to Section 4.01 or if it is otherwise unable to so act, appoint, or petition a court of competent jurisdiction to appoint, any established mortgage loan servicing institution the appointment of which does not adversely affect the then current rating of the Certificates, without regard to the Class A-3A Policy, by each Rating Agency as the successor to the Master Servicer hereunder in the assumption of all or any part of the responsibilities, duties or liabilities of the Master Servicer hereunder. Any successor to the Master Servicer shall be an institution which is a FNMA and FHLMC approved seller/servicer in good standing, which has a net worth of at least $15,000,000, and which is willing to service the Mortgage Loans and (i) executes and delivers to the Depositor and the Trustee an agreement accepting such delegation and assignment, which contains an assumption by such Person of the rights, powers, duties, responsibilities, obligations and liabilities of the Master Servicer (other than liabilities of the Master Servicer under Section 6.03 incurred prior to termination of the Master Servicer under Section 7.01), with like effect as if originally named as a party to this Agreement; and provided further that each Rating Agency acknowledges that its rating of the Certificates in effect immediately prior to such assignment and delegation will not be qualified or reduced, without regard to the Class A-3A Policy, as a result of such assignment and delegation and (ii) provides to the Depositor in writing fifteen days prior to the effective date of such appointment and in form and substance reasonably satisfactory to the Depositor, all information reasonably requested by the Depositor in order to comply with its reporting obligation under Item 6.02 of Form 8-K with respect to a replacement master servicer. The Trustee shall provide written notice to the Depositor of such successor pursuant to this Section. Pending appointment of a successor to the Master Servicer hereunder, the Trustee, unless the Trustee is prohibited by law from so acting, shall, subject to Section 3.04, act in such capacity as hereinabove provided. In connection with such appointment and assumption, the Trustee may make such arrangements for the compensation of such successor out of payments on the Mortgage Loans as it and such successor shall agree; provided, however, that no such compensation shall be in excess of the Master Servicing Fee permitted to be paid to the Master Servicer hereunder. The Trustee and such successor shall take such action, consistent with this

Agreement, as shall be necessary to effectuate any such succession. 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 or any failure to perform, or any delay in performing, any duties or responsibilities hereunder, in either case caused by the failure of the Master Servicer to deliver or provide, or any delay in delivering or providing, any cash, information, documents or records to it.

Any successor to the Master Servicer as master servicer shall give notice to the Mortgagors of such change of servicer and shall, during the term of its service as master servicer maintain in force the policy or policies that the Master Servicer is required to maintain pursuant to Section 3.09.

In connection with the termination or resignation of the Master Servicer hereunder, either (i) the successor Master Servicer, including the Trustee if the Trustee is acting as successor Master Servicer, shall represent and warrant that it is a member of MERS in good standing and shall agree to comply in all material respects with the rules and procedures of MERS in connection with the servicing of the Mortgage Loans that are registered with MERS, or (ii) the predecessor Master Servicer shall cooperate with the successor Master Servicer either (x) in causing MERS to execute and deliver an assignment of Mortgage in recordable form to transfer the Mortgage from MERS to the Trustee and to execute and deliver such other notices, documents and other instruments as may be necessary or desirable to effect a transfer of such Mortgage Loan or servicing of such Mortgage Loan on the MERS® System to the successor Master Servicer or (y) in causing MERS to designate on the MERS® System the successor Master Servicer as the servicer of such Mortgage Loan. The predecessor Master Servicer shall file or cause to be filed any such assignment in the appropriate recording office. The successor Master Servicer shall cause such assignment to be delivered to the Trustee promptly upon receipt of the original with evidence of recording thereon or a copy certified by the public recording office in which such assignment was recorded.

SECTION 7.03. Notification to Certificateholders.

(a) Upon any termination of or appointment of a successor to the Master Servicer, the Trustee shall give prompt written notice thereof to the Certificateholders, Ambac, if the Class A-3A Certificates are still outstanding, and to each Rating Agency.

(b) Within 60 days after the occurrence of any Event of Default, the Trustee shall transmit by mail to all Certificateholders and Ambac promptly upon such occurrence, if the Class A-3A Certificates are still outstanding, notice of each such Event of Default hereunder known to the Trustee, unless such Event of Default shall have been cured or waived.

ARTICLE VIII
CONCERNING THE TRUSTEE

SECTION 8.01. Duties of Trustee.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform such duties and only such duties as are specifically set forth in this Agreement. In case an Event of Default has occurred and remains uncured, 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 that are specifically required to be furnished pursuant to any provision of this Agreement shall examine them to determine whether they are 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.

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) unless an Event of Default known to the Trustee shall have occurred and be continuing, 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 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 which it believed in good faith to be genuine and to have been duly executed by the proper authorities respecting any matters arising hereunder;

(ii) the Trustee shall not be liable for an error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be finally proven that the Trustee was negligent in ascertaining the pertinent facts;

(iii) 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 Holders of Certificates evidencing not less than 25% of the Voting Rights of Certificates relating 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; and

(iv) without in any way limiting the provisions of this Section 8.01 or Section 8.02, the Trustee shall be entitled to rely conclusively on the information delivered to it

by the Master Servicer in a Trustee Advance Notice in determining whether it is required to make an Advance under Section 4.01(b), shall have no responsibility to ascertain or confirm any information contained in any Trustee Advance Notice, and shall have no obligation to make any Advance under Section 4.01(b) in the absence of a Trustee Advance Notice or actual knowledge of a Responsible Officer of the Trustee that (A) such Advance was not made by the Master Servicer and (B) such Advance is not a Nonrecoverable Advance.

The Trustee hereby represents, warrants, covenants and agrees that, except as permitted by Article IX hereof, it shall not cause the Trust Fund to consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of the Trust Fund to, another Person.

SECTION 8.02. Certain Matters Affecting the Trustee.

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, Officers' Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, 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 and the Trustee shall have no responsibility to ascertain or confirm the genuineness of any signature of any such party or parties;

(ii) the Trustee may consult with counsel, financial advisers or accountants of its selection and the advice of any such counsel, financial advisers or accountants and any 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 Opinion of Counsel;

(iii) the Trustee shall not be 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;

(iv) 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, unless requested in writing so to do by Holders of Certificates evidencing not less than 25% of the Voting Rights allocated to each Class of Certificates;

(v) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, accountants or attorneys;

(vi) the Trustee shall not be required to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder if it shall have reasonable grounds for

believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it;

(vii) the Trustee shall not be liable for any loss on any investment of funds pursuant to this Agreement (other than as issuer of the investment security);

(viii) the Trustee shall not be deemed to have knowledge of an Event of Default until a Responsible Officer of the Trustee shall have received written notice thereof; and

(ix) the Trustee shall be under no obligation to exercise any of the trusts, 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 any of the Certificateholders, pursuant to the provisions of this Agreement, unless such Certificateholders shall have offered to the Trustee reasonable security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which may be incurred therein or thereby.

SECTION 8.03. Trustee Not Liable for Certificates or Mortgage Loans.

The recitals contained in this Agreement and in the Certificates shall be taken as the statements of the Depositor or a Seller, as the case may be, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Agreement or of the Certificates or of any Mortgage Loan or related document or of MERS or the MERS® System other than with respect to the Trustee's execution and counter-signature of the Certificates. The Trustee shall not be accountable for the use or application by the Depositor or the Master Servicer of any funds paid to the Depositor or the Master Servicer in respect of the Mortgage Loans or deposited in or withdrawn from the Certificate Account by the Depositor or the Master Servicer.

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 the Trustee.

SECTION 8.05. Trustee's Fees and Expenses.

The Trustee, as compensation for its activities hereunder, shall be entitled to withdraw from the Distribution Account on each Distribution Date an amount equal to the Trustee Fee for such Distribution Date. The Trustee and any director, officer, employee or agent of the Trustee shall be indemnified by the Master Servicer and held harmless against any loss, liability or expense (including reasonable attorney's fees and expenses) (i) incurred in connection with any claim or legal action relating to (a) this Agreement, (b) the Certificates or (c) in connection with the performance of any of the Trustee's duties hereunder, other than any loss, liability or expense incurred by reason of willful misfeasance, bad faith or negligence in the performance of any of the Trustee's duties hereunder or incurred by reason of any action of the Trustee taken at the direction of the Certificateholders or (ii) resulting from any error in any tax or information return prepared by the Master Servicer. Such indemnity shall survive the termination of this Agreement or the resignation or removal of the Trustee hereunder. Without limiting the

foregoing, the Master Servicer covenants and agrees, except as otherwise agreed upon in writing by the Depositor and the Trustee, and except for any such expense, disbursement or advance as may arise from the Trustee's negligence, bad faith or willful misconduct, to pay or 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 with respect to: (A) the reasonable compensation and the expenses and disbursements of its counsel not associated with the closing of the issuance of the Certificates, (B) the reasonable compensation, expenses and disbursements of any accountant, engineer or appraiser that is not regularly employed by the Trustee, to the extent that the Trustee must engage such persons to perform acts or services hereunder and (C) printing and engraving expenses in connection with preparing any Definitive Certificates. Except as otherwise provided in this Agreement, the Trustee shall not be entitled to payment or reimbursement for any routine ongoing expenses incurred by the Trustee in the ordinary course of its duties as Trustee, Registrar, Tax Matters Person or Paying Agent hereunder or for any other expenses.

SECTION 8.06. Eligibility Requirements for Trustee.

The Trustee hereunder shall at all times be a corporation or association organized and doing business under the laws of a state or the United States of America, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, subject to supervision or examination by federal or state authority and with a credit rating which would not cause either of the Rating Agencies to reduce or withdraw their respective then current ratings of the Certificates without regard to the Class A-3A Policy (or having provided such security from time to time as is sufficient to avoid such reduction) as evidenced in writing by each Rating Agency. If such corporation or 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 8.06 the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. 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. The entity serving as Trustee may have normal banking and trust relationships with the Depositor and its affiliates or the Master Servicer and its affiliates; provided, however, that such entity cannot be an affiliate of the Master Servicer other than the Trustee in its role as successor to the Master Servicer.

SECTION 8.07. Resignation and Removal of Trustee.

The Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice of resignation to the Depositor, the Master Servicer and each Rating Agency not less than 60 days before the date specified in such notice when, subject to Section 8.08, such resignation is to take effect, and acceptance by a successor trustee in accordance with Section 8.08 meeting the qualifications set forth in Section 8.06. If no successor trustee meeting such qualifications shall have been so appointed and have accepted appointment within 30 days after the giving of such notice or resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

As a condition to the effectiveness of any such resignation, at least 15 calendar days prior to the effective date of such resignation, the Trustee shall provide (x) written notice to the Depositor of any successor pursuant to this Section and (y) in writing and in form and substance reasonably satisfactory to the Depositor, all information reasonably requested by the Depositor in order to comply with its reporting obligation under Item 6.02 of Form 8-K with respect to the resignation of the Trustee.

If at any time (i) the Trustee shall cease to be eligible in accordance with the provisions of Section 8.06 and shall fail to resign after written request thereto by the Depositor, (ii) the Trustee shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or a receiver of the Trustee or 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) a tax is imposed with respect to the Trust Fund by any state in which the Trustee or the Trust Fund is located and the imposition of such tax would be avoided by the appointment of a different trustee, or (iv) during the period that the Depositor is required to file Exchange Act Reports with respect to the Trust Fund, the Trustee fails to comply with its obligations under the last sentence of Section 7.01, the preceding paragraph, Section 8.09 or Article XI and such failure is not remedied within the lesser of 10 calendar days or such period in which the applicable Exchange Act Report can be filed timely (without taking into account any extensions), then, in the case of clauses (i) through (iii), the Depositor or the Master Servicer, or in the case of clause (iv), the Depositor, may remove the Trustee and appoint a successor trustee by written instrument, in triplicate, one copy of which instrument shall be delivered to the Trustee, one copy of which shall be delivered to the Master Servicer and one copy to the successor trustee.

The Holders of Certificates entitled to at least 51% of the Voting Rights may at any time remove the Trustee and appoint a successor trustee by written instrument or instruments, in triplicate, signed by such Holders or their attorneys-in-fact duly authorized, one complete set of which instruments shall be delivered by the successor Trustee to the Master Servicer, one complete set to the Trustee so removed, one complete set to the successor so appointed and one complete set to the Depositor, together with a written description of the basis for such removal. Notice of any removal of the Trustee shall be given to each Rating Agency by the successor trustee.

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 become effective upon 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 and to its predecessor trustee and the Master Servicer 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 the like effect as if originally named as trustee in this Agreement. The Depositor, the Master Servicer and the predecessor trustee shall execute and deliver such instruments and do such other things as may reasonably be required for more 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 its appointment shall not adversely affect the then current rating of the Certificates and has provided to the Depositor in writing and in form and substance reasonably satisfactory to the Depositor, all information reasonably requested by the Depositor in order to comply with its reporting obligation under Item 6.02 of Form 8-K with respect to a replacement Trustee.

Upon acceptance of appointment by a successor trustee as provided in this Section 8.08, the Depositor shall mail notice of the succession of such trustee hereunder to all Holders of Certificates. If the Depositor fails to mail such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Depositor.

SECTION 8.09. Merger or Consolidation of Trustee.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to the business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be eligible under the provisions of Section 8.06 without the execution or filing of any paper or further act on the part of any of the parties hereto, anything in this Agreement to the contrary notwithstanding.

As a condition to the effectiveness of any merger or consolidation, at least 15 calendar days prior to the effective date of any merger or consolidation of the Trustee, the Trustee shall provide (x) written notice to the Depositor of any successor pursuant to this Section and (y) in writing and in form and substance reasonably satisfactory to the Depositor, all information reasonably requested by the Depositor in order to comply with its reporting obligation under Item 6.02 of Form 8-K with respect to a replacement Trustee.

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 Fund or property securing any Mortgage Note may at the time be located, the Master Servicer 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 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 Fund, and to vest in such Person or Persons, in such capacity and for the benefit of the Certificateholders, such title to the Trust Fund or any part thereof, whichever is applicable, and, subject to the other provisions of this Section 8.10, such powers, duties, obligations, rights and trusts as the Master Servicer and the Trustee may consider necessary or desirable. If the Master Servicer shall not have joined in such appointment within 15 days after the receipt by it of a request to do so, or in the case an Event of Default 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) To the extent necessary to effectuate the purposes of this Section 8.10, all rights, powers, duties and obligations conferred or imposed upon the Trustee, except for the obligation of the Trustee under this Agreement to advance funds on behalf of the Master Servicer, 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 Master 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 applicable Trust Fund 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 such appointment shall not, and shall not be deemed to, constitute any such separate trustee or co-trustee as agent of the Trustee;

(iii) The Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee; and

(iv) The Master Servicer, and not the Trustee, shall be liable for the payment of reasonable compensation, reimbursement and indemnification to any such 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 separate trustees and co-trustees, when and 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 Master Servicer and the Depositor.

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. Tax Matters.

It is intended that the assets with respect to which any REMIC election is to be made, as set forth in the Preliminary Statement, shall constitute, and that the conduct of matters relating to such assets shall be such as to qualify such assets as, a "real estate mortgage investment conduit" as defined in and in accordance with the REMIC Provisions. In furtherance of such intention, the Trustee covenants and agrees that it shall act as agent (and the Trustee is hereby appointed to act as agent) on behalf of any such REMIC and that in such capacity it shall: (a) prepare and file, or cause to be prepared and filed, in a timely manner, a U.S. Real Estate Mortgage Investment Conduit Income Tax Return (Form 1066 or any successor form adopted by the Internal Revenue Service) and prepare and file or cause to be prepared and filed with the Internal Revenue Service and applicable state or local tax authorities income tax or information returns for each taxable year with respect to any such REMIC, containing such information and at the times and in the manner as may be required by the Code or state or local tax laws, regulations, or rules, and furnish or cause to be furnished to Certificateholders the schedules, statements or information at such times and in such manner as may be required thereby; (b) within thirty days of the Closing Date, furnish or cause to be furnished to the Internal Revenue Service, on Forms 8811 or as otherwise may be required by the Code, the name, title, address, and telephone number of the person that the holders of the Certificates may contact for tax information relating thereto, together with such additional information as may be required by such Form, and update such information at the time or times in the manner required by the Code; (c) make or cause to be made elections that such assets be treated as a REMIC on the federal tax return for its first taxable year (and, if necessary, under applicable state law); (d) prepare and forward, or cause to be prepared and forwarded, to the Certificateholders and to the Internal Revenue Service and, if necessary, state tax authorities, all information returns and reports as and when required to be provided to them in accordance with the REMIC Provisions, including without limitation, the calculation of any original issue discount using the Prepayment Assumption; (e) provide information necessary for the computation of tax imposed on the transfer of a Residual Certificate to a Person that is not a Permitted Transferee, or an agent (including a broker, nominee or other middleman) of a Non-Permitted Transferee, or a pass-through entity in which a Non-Permitted Transferee is the record holder of an interest (the reasonable cost of computing and furnishing such information may be charged to the Person liable for such tax); (f) to the extent that they are under its control conduct matters relating to such assets at all times that any Certificates are outstanding so as to maintain the status as a REMIC under the REMIC Provisions; (g) not knowingly or intentionally take any action or omit to take any action that would cause the termination of the tax status of any REMIC; (h) pay, from the sources specified in the third paragraph of this Section 8.11, the amount of any federal or state tax, including prohibited transaction taxes as described below, imposed on any such REMIC prior to its termination when and as the same shall be due and payable (but such obligation shall not prevent the Trustee or any other appropriate Person from contesting any such tax in appropriate proceedings and shall not prevent the Trustee from withholding payment of such tax, if permitted by law, pending the outcome of such proceedings); (i) ensure that federal, state or local income tax or information returns shall be signed by the Trustee or such other person as may be required to sign such returns by the Code or state or local laws, regulations or

rules; (j) maintain records relating to any such REMIC, including but not limited to the income, expenses, assets and liabilities thereof and the fair market value and adjusted basis of the assets determined at such intervals as may be required by the Code, as may be necessary to prepare the foregoing returns, schedules, statements or information; and (k) as and when necessary and appropriate, represent any such REMIC in any administrative or judicial proceedings relating to an examination or audit by any governmental taxing authority, request an administrative adjustment as to any taxable year of any such REMIC, enter into settlement agreements with any governmental taxing agency, extend any statute of limitations relating to any tax item of any such REMIC, and otherwise act on behalf of any such REMIC in relation to any tax matter or controversy involving it.

In order to enable the Trustee to perform its duties as set forth in this Agreement, the Depositor shall provide, or cause to be provided, to the Trustee within ten (10) days after the Closing Date all information or data that the Trustee requests in writing and determines to be relevant for tax purposes to the valuations and offering prices of the Certificates, including, without limitation, the price, yield, prepayment assumption and projected cash flows of the Certificates and the Mortgage Loans. Thereafter, the Depositor shall provide to the Trustee promptly upon written request therefor, any such additional information or data that the Trustee may, from time to time, reasonably request in order to enable the Trustee to perform its duties as set forth in this Agreement. The Depositor hereby indemnifies the Trustee for any losses, liabilities, damages, claims or expenses of the Trustee arising from any errors or miscalculations of the Trustee that result from any failure of the Depositor to provide, or to cause to be provided, accurate information or data to the Trustee on a timely basis.

In the event that any tax is imposed on "prohibited transactions" of any REMIC hereunder as defined in section 860F(a)(2) of the Code, on the "net income from foreclosure property" of such REMIC as defined in section 860G(c) of the Code, on any contribution to any REMIC hereunder after the Startup Day pursuant to section 860G(d) of the Code, or any other tax is imposed, including, without limitation, any minimum tax imposed upon any REMIC hereunder pursuant to sections 23153 and 24874 of the California Revenue and Taxation Code, if not paid as otherwise provided for herein, such tax shall be paid by (i) the Trustee, if any such other tax arises out of or results from a breach by the Trustee of any of its obligations under this Agreement, (ii) the Master Servicer, in the case of any such minimum tax, or if such tax arises out of or results from a breach by the Master Servicer or a Seller of any of their obligations under this Agreement, (iii) any Seller, if any such tax arises out of or results from that Seller's obligation to repurchase a Mortgage Loan pursuant to Section 2.02 or 2.03 or (iv) in all other cases, or in the event that the Trustee, the Master Servicer or any Seller fails to honor its obligations under the preceding clauses (i), (ii) or (iii), any such tax will be paid with amounts otherwise to be distributed to the Certificateholders, as provided in Section 3.08(b).

The Trustee shall treat the Carryover Shortfall Reserve Fund as an outside reserve fund within the meaning of Treasury Regulation 1.860G-2(h) which is owned by the Depositor, and that is not an asset of any REMIC created hereunder. The Component Certificates shall be treated as representing ownership of a Master REMIC regular interest and a position in an interest rate cap contract. The Trustee shall assume that the position of the Component Certificates in such interest rate cap contract has a value of $1,000.

SECTION 8.12. Monitoring of Significance Percentage.

[Reserved]

ARTICLE IX
TERMINATION

SECTION 9.01. Termination upon Liquidation or Purchase of all Mortgage Loans.

Subject to Section 9.03, the obligations and responsibilities of the Depositor, the Sellers, the Master Servicer and the Trustee created hereby with respect to the Trust Fund shall terminate upon the earlier of: (a) the purchase by the Master Servicer of all Mortgage Loans (and REO Properties) remaining in the Trust Fund at the price equal to the sum of (i) 100% of the Stated Principal Balance of each Mortgage Loan plus one month's accrued interest thereon at the applicable Adjusted Mortgage Rate, (ii) the lesser of (x) the appraised value of any REO Property as determined by the higher of two appraisals completed by two independent appraisers selected by the Master Servicer at the expense of the Master Servicer and (y) the Stated Principal Balance of each Mortgage Loan related to any REO Property, and (iii) any remaining unpaid costs and damages incurred by the Trust Fund that arise out of an actual violation of any predatory or abusive lending law that also constitutes an actual breach of clause (50) on Schedule III-A, in all cases plus accrued and unpaid interest thereon at the applicable Adjusted Mortgage Rate; and (b) the later of (i) the maturity or other liquidation (or any Advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund and the disposition of all REO Property in and (ii) the distribution to the Certificateholders of all amounts required to be distributed to them pursuant to this Agreement. In no event shall the trusts created hereby continue beyond the earlier of (i) the expiration of 21 years from the death of the 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 and (ii) the Latest Possible Maturity Date.

The Master Servicer shall have the right to purchase all Mortgage Loans and REO Properties in the Trust Fund pursuant to clause (a) in the preceding paragraph of this Section 9.01 only on or after the Optional Termination Date; provided that either (a) any such purchase will not result in a draw upon the Class A-3A Policy or (b) the Master Servicer obtains the consent of the Class A-3A Insurer.

SECTION 9.02. Final Distribution on the Certificates.

If on any Determination Date, the Master Servicer determines that there are no Outstanding Mortgage Loans and no other funds or assets in the Trust Fund other than the funds in the Certificate Account, the Master Servicer shall direct the Trustee promptly to send a final distribution notice to each Certificateholder and Ambac. If the Master Servicer elects to terminate the Trust Fund pursuant to Section 9.01, at least 20 days prior to the date notice is to be mailed to the Certificateholders, the Master Servicer shall notify the Depositor, Ambac, if the Class A-3A Certificates are still outstanding, and the Trustee of the date the Master Servicer intends to cause a termination pursuant to Section 9.01 and of the applicable repurchase price of the Mortgage Loans and REO Properties.

Notice of any termination of the Trust Fund, specifying the Distribution Date on which Certificateholders may surrender their Certificates for payment of the final distribution and cancellation, shall be given promptly by the Trustee by letter to Certificateholders and Ambac

mailed not earlier than the 10th day and no later than the 15th day of the month next preceding the month of such final distribution. Any such notice shall specify (a) the Distribution Date upon which final distribution on the Certificates will be made upon presentation and surrender of Certificates at the office therein designated, (b) the amount of such final distribution, (c) the location of the office or agency at which such presentation and surrender must be made, and (d) 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 therein specified. The Master Servicer will give such notice to each Rating Agency at the time such notice is given to the Certificateholders.

In the event such notice is given, the Master Servicer shall cause all related funds in the Certificate Account to be remitted to the Trustee for deposit in the Distribution Account on or before the Business Day prior to the applicable Distribution Date in an amount equal to the final distribution in respect of the Certificates. Upon such final deposit with respect to the Mortgage Loans and REO Properties and the receipt by the Trustee of a Request for Release therefor, the Trustee shall promptly release to the Master Servicer the Mortgage Files for the Mortgage Loans.

Upon presentation and surrender of the Certificates, the Trustee shall cause to be distributed to Ambac and the Certificateholders of each Class, in each case on the final Distribution Date and in the order set forth in Section 4.02, in the case of Ambac, all amounts required to be distributed to it pursuant to Section 4.02 and, in the case of the Certificateholders and Ambac as subrogee, in proportion to their respective Percentage Interests, with respect to Certificateholders of the same Class, an amount equal to (i) as to each Class of Regular Certificates, the Certificate Balance thereof (or, in case of Ambac, Realized Losses and principal paid and not otherwise previously reimbursed pursuant to Section 4.02 or otherwise) plus accrued interest thereon (or on their Notional Amount, if applicable) in the case of an interest bearing Certificate and (ii) as to the Residual Certificates, the amount, if any, which remains on deposit in the Distribution Account (other than the amounts retained to meet claims) after application pursuant to clause (i) above. Notwithstanding the reduction of the Class Certificate Balance of any Class of Certificates to zero, such Class will be outstanding hereunder (solely for the purpose of receiving distributions and not for any other purpose) until the termination of the respective obligations and responsibilities of the Depositor, each Seller, the Master Servicer and the Trustee hereunder in accordance with Article IX.

In the event that any Certificateholders shall not surrender Certificates for cancellation within six months after the date 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 six months after the second notice all the applicable Certificates shall not have been surrendered for cancellation, the Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining Certificateholders concerning surrender of their Certificates, and the cost thereof shall be paid out of the funds and other assets which remain a part of the Trust Fund. If within one year after the second notice all Certificates shall not have been surrendered for cancellation, Ambac, with respect to any Reimbursement Amounts, and then the Class A-R Certificateholders shall be entitled to all unclaimed funds and other assets of the Trust Fund which remain subject to this Agreement.

SECTION 9.03. Additional Termination Requirements.

(a) In the event the Master Servicer exercises its purchase option or options as provided in Section 9.01, the Mortgage Loans and REO Properties then remaining in the Trust Fund shall be terminated in accordance with the following additional requirements, unless the Trustee has been supplied with an Opinion of Counsel, at the expense of the Master Servicer to the effect that the failure to comply with the requirements of this Section 9.03 will not (i) result in the imposition of taxes on "prohibited transactions" on any REMIC as defined in section 860F of the Code, or (ii) cause any REMIC to fail to qualify as a REMIC at any time that any Certificates are outstanding:

(1) Within 90 days prior to the final Distribution Date set forth in the notice given by the Master Servicer under Section 9.02, the Master Servicer shall prepare and the Trustee, at the expense of the "tax matters person," shall adopt a plan of complete liquidation within the meaning of section 860F(a)(4) of the Code which, as evidenced by an Opinion of Counsel (which opinion shall not be an expense of the Trustee or the Tax Matters Person), meets the requirements of a qualified liquidation; and

(2) Within 90 days after the time of adoption of such a plan of complete liquidation, the Trustee shall sell all of the assets of the Trust Fund to the Master Servicer for cash in accordance with Section 9.01.

(b) The Trustee as agent for any REMIC created under this Agreement hereby agrees to adopt and sign such a plan of complete liquidation upon the written request of the Master Servicer and the receipt of the Opinion of Counsel referred to in Section 9.03(a)(1) and to take such other action in connection therewith as may be reasonably requested by the Master Servicer.

(c) By their acceptance of the Certificates, the Holders thereof hereby authorize the Master Servicer to prepare and the Trustee to adopt and sign a plan of complete liquidation.

ARTICLE X
MISCELLANEOUS PROVISIONS

SECTION 10.01. Amendment.

This Agreement may be amended from time to time by the Depositor, each Seller, the Master Servicer and the Trustee without the consent of any of the Certificateholders (i) to cure any ambiguity or mistake, (ii) to correct any defective provision in this Agreement or to supplement any provision in this Agreement which may be inconsistent with any other provision in this Agreement, (iii) to conform this Agreement to the Prospectus and Prospectus Supplement provided to investors in connection with the initial offering of the Certificates, (iv) to add to the duties of the Depositor, any Seller or the Master Servicer, (v) to modify, alter, amend, add to or rescind any of the terms or provisions contained in this Agreement to comply with any rules or regulations promulgated by the Securities and Exchange Commission from time to time, (vi) to add any other provisions with respect to matters or questions arising hereunder or (vii) to modify, alter, amend, add to or rescind any of the terms or provisions contained in this Agreement; provided that any action pursuant to clauses (vi) or (vii) above shall not, as evidenced by an

Opinion of Counsel (which Opinion of Counsel shall not be an expense of the Trustee or the Trust Fund), adversely affect in any material respect the interests of any Certificateholder; provided, however, that the amendment shall be deemed not to adversely affect in any material respect the interests of the Certificateholders if the Person requesting the amendment obtains a letter from each Rating Agency stating that the amendment would not result in the downgrading or withdrawal of the respective ratings then assigned to the Certificates without regard to the Class A-3A Policy; it being understood and agreed that any such letter in and of itself will not represent a determination as to the materiality of any such amendment and will represent a determination only as to the credit issues affecting any such rating. Notwithstanding the foregoing, no amendment that significantly changes the permitted activities of the trust created by this Agreement may be made without the consent of a Majority in Interest of each Class of Certificates affected by such amendment. Each party to this Agreement hereby agrees that it will cooperate with each other party in amending this Agreement pursuant to clause (v) above. The Trustee, each Seller, the Depositor and the Master Servicer also may at any time and from time to time amend this Agreement without the consent of the Certificateholders to modify, eliminate or add to any of its provisions to such extent as shall be necessary or helpful to (i) maintain the qualification of any REMIC as a REMIC under the Code, (ii) avoid or minimize the risk of the imposition of any tax on any REMIC pursuant to the Code that would be a claim at any time prior to the final redemption of the Certificates or (iii) comply with any other requirements of the Code, provided that the Trustee has been provided an Opinion of Counsel, which opinion shall be an expense of the party requesting such opinion but in any case shall not be an expense of the Trustee or the Trust Fund, to the effect that such action is necessary or helpful to, as applicable, (i) maintain such qualification, (ii) avoid or minimize the risk of the imposition of such a tax or (iii) comply with any such requirements of the Code.

This Agreement may also be amended from time to time by the Depositor, each Seller, the Master Servicer and the Trustee with the consent of the Holders of a Majority in 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 of such Certificates; provided, however, that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, payments required to be distributed on any Certificate without the consent of the Holder of such Certificate, (ii) adversely affect in any material respect the interests of the Holders of any Class of Certificates in a manner other than as described in (i), without the consent of the Holders of Certificates of such Class evidencing, as to such Class, Percentage Interests aggregating 66-2/3%, (iii) reduce the aforesaid percentages of Certificates the Holders of which are required to consent to any such amendment, without the consent of the Holders of all such Certificates then outstanding, or (iv) for so long as the Class A-3A Certificates are outstanding, adversely affect in any material respect the rights and interest of Ambac in any of the following provisions of this Agreement without its consent, which consent shall not be unreasonably withheld: (x) the definitions of "Class A-3A Premium" and "Reimbursement Amount" in Article I and (y) rights and interests explicitly granted to Ambac in Sections 3.07, 3.08(b), 3.16(c), 4.02(a), 4.02(c), 4.02(f), 4.06(a), 4.07, 5.03, 5.06, 7.03, 9.02, 10.01 and 10.11.

Notwithstanding any contrary provision of this Agreement, the Trustee shall not consent to any amendment to this Agreement unless it shall have first received an Opinion of Counsel, which opinion shall not be an expense of the Trustee or the Trust Fund, to the effect that such

amendment will not cause the imposition of any tax on any REMIC or the Certificateholders or cause any REMIC to fail to qualify as a REMIC at any time that any Certificates are outstanding.

Promptly after the execution of any amendment to this Agreement requiring the consent of Certificateholders, the Trustee shall furnish written notification of the substance or a copy of such amendment to each Certificateholder, Ambac and each Rating Agency.

It shall not be necessary for the consent of Certificateholders under this Section 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 Certificateholders shall be subject to such reasonable regulations as the Trustee may prescribe.

Nothing in this Agreement shall require the Trustee to enter into an amendment without receiving an Opinion of Counsel (which Opinion shall not be an expense of the Trustee or the Trust Fund), satisfactory to the Trustee that (i) such amendment is permitted and is not prohibited by this Agreement and that all requirements for amending this Agreement have been complied with; and (ii) either (A) the amendment does not adversely affect in any material respect the interests of any Certificateholder or (B) the conclusion set forth in the immediately preceding clause (A) is not required to be reached pursuant to this Section 10.01.

SECTION 10.02. Recordation of Agreement; Counterparts.

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 Master Servicer at its expense, but only upon direction by the Trustee 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 in this Agreement 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 constitute but one and the same instrument.

SECTION 10.03. Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE SUBSTANTIVE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HERETO AND THE CERTIFICATEHOLDERS SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 10.04. Intention of Parties.

(a) It is the express intent of the parties hereto that the conveyance of the (i) Mortgage Loans by the Sellers to the Depositor and (ii) Trust Fund by the Depositor to the Trustee each

be, and be construed as, an absolute sale thereof to the Trustee. It is, further, not the intention of the parties that such conveyances be deemed a pledge thereof. However, in the event that, notwithstanding the intent of the parties, such assets are held to be the property of any Seller or the Depositor, as the case may be, or if for any other reason this Agreement or any Supplemental Transfer Agreement is held or deemed to create a security interest in either such assets, then (i) this Agreement or any Supplemental Transfer Agreement shall be deemed to be a security agreement (within the meaning of the Uniform Commercial Code of the State of New York) with respect to all such assets and security interests and (ii) the conveyances provided for in this Agreement or any Supplemental Transfer Agreement shall be deemed to be an assignment and a grant pursuant to the terms of this Agreement (a) by each Seller to the Depositor or (b) by the Depositor to the Trustee, for the benefit of the Certificateholders, of a security interest in all of the assets that constitute the Trust Fund, whether now owned or hereafter acquired.

Each Seller and the Depositor for the benefit of the Certificateholders shall, to the extent consistent with this Agreement, take such actions as may be necessary to ensure that, if this Agreement were deemed to create a security interest in the Trust Fund, such security interest would be deemed to be a perfected security interest of first priority under applicable law and will be maintained as such throughout the term of the Agreement. The Depositor shall arrange for filing any Uniform Commercial Code continuation statements in connection with any security interest granted or assigned to the Trustee for the benefit of the Certificateholders.

(b) The Depositor hereby represents that:

(i) This Agreement creates a valid and continuing security interest (as defined in the Uniform Commercial Code as enacted in the State of New York (the "NY UCC")) in the Mortgage Notes in favor of the Trustee, which security interest is prior to all other liens, and is enforceable as such as against creditors of and purchasers from the Depositor.

(ii) The Mortgage Notes constitutes "instruments" within the meaning of the NY UCC.

(iii) Immediately prior to the assignment of each Mortgage Loan to the Trustee, the Depositor owns and has good and marketable title to such Mortgage Loan free and clear of any lien, claim or encumbrance of any Person.

(iv) The Depositor has received all consents and approvals required by the terms of the Mortgage Loans to the sale of the Mortgage Loans hereunder to the Trustee.

(v) All original executed copies of each Mortgage Note that are required to be delivered to the Trustee pursuant to Section 2.01 have been delivered to the Trustee.

(vi) Other than the security interest granted to the Trustee pursuant to this Agreement, the Depositor has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Mortgage Loans. The Depositor has not authorized the filing of and is not aware of any financing statements against the Depositor that include a description of collateral covering the Mortgage Loans other than any financing statement relating to the security interest granted to the Trustee hereunder or that has been

terminated. The Depositor is not aware of any judgment or tax lien filings against the Depositor.

(c) The Master Servicer shall take such action as is reasonably necessary to maintain the perfection and priority of the security interest of the Trustee in the Mortgage Loans; provided, however, that the obligation to deliver the Mortgage File to the Trustee pursuant to Section 2.01 shall be solely the Depositor's obligation and the Master Servicer shall not be responsible for the safekeeping of the Mortgage Files by the Trustee.

(d) It is understood and agreed that the representations and warranties set forth in subsection (b) above shall survive delivery of the Mortgage Files to the Trustee. Upon discovery by the Depositor or the Trustee of a breach of any of the foregoing representations and warranties set forth in subsection (b) above, which breach materially and adversely affects the interest of the Certificateholders, the party discovering such breach shall give prompt written notice to the others and to each Rating Agency.

SECTION 10.05. Notices.

(a) The Trustee shall use its best efforts to promptly provide notice to each Rating Agency with respect to each of the following of which it has actual knowledge:

1. Any material change or amendment to this Agreement;

2. The occurrence of any Event of Default that has not been cured;

3. The resignation or termination of the Master Servicer or the Trustee and the appointment of any successor;

4. The repurchase or substitution of Mortgage Loans pursuant to Section 2.03;

5. The final payment to Certificateholders; and

6. Any rating action involving the long-term credit rating of Countrywide, which notice shall be made by first class mail within two Business Days after the Trustee gains actual knowledge of such a rating action.

In addition, the Trustee shall promptly furnish to each Rating Agency copies of the following:

1. Each report to Certificateholders described in Section 4.06;

2. Each annual statement as to compliance described in Section 3.16;

3. Each annual independent public accountants' servicing report described in Section 11.07; and

4. Any notice of a purchase of a Mortgage Loan pursuant to Section 2.02, 2.03 or 3.11.

All directions, demands and notices under this Agreement shall be in writing and shall be deemed to have been duly given when delivered by first class mail, by courier or by facsimile transmission to (1) in the case of the Depositor, CWALT, Inc., 4500 Park Granada, Calabasas, California 91302, facsimile number: (818) 225-4016, Attention: Josh Adler, (2) in the case of Countrywide, Countrywide Home Loans, Inc., 4500 Park Granada, Calabasas, California 91302, facsimile number: (818) 225-4016, Attention: Josh Adler or such other address as may be hereafter furnished to the Depositor and the Trustee by Countrywide in writing, (3) in the case of Park Granada, Park Granada LLC, c/o Countrywide Financial Corporation, 4500 Park Granada, Calabasas, California 91302, facsimile number: (818) 225-4016, Attention: Josh Adler or such other address as may be hereafter furnished to the Depositor and the Trustee by Park Granada in writing, (4) in the case of Park Monaco Inc., c/o Countrywide Financial Corporation, 4500 Park Granada, Calabasas, California 91302, facsimile number: (818) 225-4016, Attention: Josh Adler or such other address as may be hereafter furnished to the Depositor and the Trustee by Park Monaco in writing, (5) in the case of Park Sienna LLC, c/o Countrywide Financial Corporation, 4500 Park Granada, Calabasas, California 91302, facsimile number: (818) 225-4016, Attention: Josh Adler or such other address as may be hereafter furnished to the Depositor and the Trustee by Park Sienna in writing, (6) in the case of the Master Servicer, Countrywide Home Loans Servicing LP, 400 Countrywide Way, Simi Valley, California 93065, facsimile number (805) 520-5623, Attention: Mark Wong, or such other address as may be hereafter furnished to the Depositor and the Trustee by the Master Servicer in writing, (7) in the case of the Trustee, The Bank of New York, 101 Barclay Street, 4 West, New York, New York 10286, facsimile number: (212) 815-3986, Attention: Mortgage-Backed Securities Group, CWALT, Inc. Series 2006-OA19, or such other address as the Trustee may hereafter furnish to the Depositor or Master Servicer, (8) in the case of Ambac, Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004, Attention: Consumer Asset Backed Securities, Structured Finance Department or such other address as may be hereafter furnished by the Ambac to the Depositor or Master Servicer, and (9) in the case of the Rating Agencies, the address specified therefor in the definition corresponding to the name of such Rating Agency. Notices to Certificateholders shall be deemed given when mailed, first class postage prepaid, to their respective addresses appearing in the Certificate Register.

SECTION 10.06. 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 of the Certificates.

SECTION 10.07. Assignment.

Notwithstanding anything to the contrary contained in this Agreement, except as provided in Section 6.02, this Agreement may not be assigned by the Master Servicer without the prior written consent of the Trustee and the Depositor.

SECTION 10.08. Limitation on Rights of Certificateholders.

The death or incapacity of any Certificateholder shall not operate to terminate this Agreement or the trust created hereby, nor entitle such Certificateholder's legal representative or heirs to claim an accounting or to take any action or commence any proceeding in any court for a petition or winding up of the trust created by this Agreement, or otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

No Certificateholder shall have any right to vote (except as provided in this Agreement) or in any manner otherwise control the operation and management of the Trust Fund, or the obligations of the parties hereto, nor shall anything set forth in this Agreement 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 party by reason of any action taken by the parties to this Agreement pursuant to any provision of this Agreement.

No Certificateholder shall have any right by virtue or by availing itself of any provisions 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 provided in this Agreement, and unless the Holders of Certificates evidencing not less than 25% of the Voting Rights evidenced by the Certificates shall also have made written request to 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 being understood and intended, and being 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 or by availing itself or themselves of any provisions of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of the Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder or to enforce any right under this Agreement, except in the manner provided in this Agreement and for the common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section 10.08, each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 10.09. Inspection and Audit Rights.

The Master Servicer agrees that, on reasonable prior notice, it will permit and will cause each Subservicer to permit any representative of the Depositor or the Trustee during the Master Servicer's normal business hours, to examine all the books of account, records, reports and other papers of the Master Servicer relating to the Mortgage Loans, to make copies and extracts therefrom, to cause such books to be audited by independent certified public accountants selected by the Depositor or the Trustee and to discuss its affairs, finances and accounts relating to the Mortgage Loans with its officers, employees and independent public accountants (and by this provision the Master Servicer hereby authorizes said accountants to discuss with such representative such affairs, finances and accounts), all at such reasonable times and as often as

may be reasonably requested. Any out-of-pocket expense incident to the exercise by the Depositor or the Trustee of any right under this Section 10.09 shall be borne by the party requesting such inspection; all other such expenses shall be borne by the Master Servicer or the related Subservicer.

SECTION 10.10. Certificates Nonassessable and Fully Paid.

It is the intention of the Depositor that Certificateholders shall not be personally liable for obligations of the Trust Fund, that the interests in the Trust Fund represented by the Certificates shall be nonassessable for any reason whatsoever, and that the Certificates, upon due authentication thereof by the Trustee pursuant to this Agreement, are and shall be deemed fully paid.

SECTION 10.11. Ambac Rights.

(a) All notices, statements reports, certificates or opinions required by this Agreement to be sent to the Rating Agencies or the Class A-3A Certificateholders shall also be sent at such time to Ambac at the notice address set forth in Section 10.05.

(b) Ambac shall be an express third party beneficiary of this Agreement for the purpose of enforcing the provisions hereof to the extent of Ambac's rights explicitly specified herein as if a party hereto.

(c) All references herein to the ratings assigned to the Certificates and to the interests of any Certificateholders shall be without regard to the Class A-3A Policy.

SECTION 10.12. 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 Fund created by this Agreement is not authorized and has no power to:

(i) borrow money or issue debt;

(ii) merge with another entity, reorganize, liquidate or sell assets; or

(iii) 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.

ARTICLE XI
EXCHANGE ACT REPORTING

SECTION 11.01. Filing Obligations.

The Master Servicer, the Trustee and each Seller shall reasonably cooperate with the Depositor in connection with the satisfaction of the Depositor's reporting requirements under the Exchange Act with respect to the Trust Fund. In addition to the information specified below, if so requested by the Depositor for the purpose of satisfying its reporting obligation under the Exchange Act, the Master Servicer, the Trustee and each Seller shall (and the Master Servicer shall cause each Subservicer to) provide the Depositor with (a) such information which is available to such Person without unreasonable effort or expense and within such timeframe as may be reasonably requested by the Depositor to comply with the Depositor's reporting obligations under the Exchange Act and (b) to the extent such Person is a party (and the Depositor is not a party) to any agreement or amendment required to be filed, copies of such agreement or amendment in EDGAR-compatible form.

SECTION 11.02. Form 10-D Filings.

(a) In accordance with the Exchange Act, the Trustee shall prepare for filing and file within 15 days after each Distribution Date (subject to permitted extensions under the Exchange Act) with the Commission with respect to the Trust Fund, a Form 10-D with copies of the Monthly Statement and, to the extent delivered to the Trustee, no later than 10 days following the Distribution Date, such other information identified by the Depositor or the Master Servicer, in writing, to be filed with the Commission (such other information, the "Additional Designated Information"). If the Depositor or Master Servicer directs that any Additional Designated Information is to be filed with any Form 10-D, the Depositor or Master Servicer, as the case may be, shall specify the Item on Form 10-D to which such information is responsive and, with respect to any Exhibit to be filed on Form 10-D, the Exhibit number. Any information to be filed on Form 10-D shall be delivered to the Trustee in EDGAR-compatible form or as otherwise agreed upon by the Trustee and the Depositor or the Master Servicer, as the case may be, at the Depositor's expense, and any necessary conversion to EDGAR-compatible format will be at the Depositor's expense. At the reasonable request of, and in accordance with the reasonable directions of, the Depositor or the Master Servicer, subject to the two preceding sentences, the Trustee shall prepare for filing and file an amendment to any Form 10-D previously filed with the Commission with respect to the Trust Fund. The Master Servicer shall sign the Form 10-D filed on behalf of the Trust Fund.

(b) No later than each Distribution Date, each of the Master Servicer and the Trustee shall notify (and the Master Servicer shall cause any Subservicer to notify) the Depositor and the Master Servicer of any Form 10-D Disclosure Item, together with a description of any such Form 10-D Disclosure Item in form and substance reasonably acceptable to the Depositor. In addition to such information as the Master Servicer and the Trustee are obligated to provide pursuant to other provisions of this Agreement, if so requested by the Depositor, each of the Master Servicer and the Trustee shall provide such information which is available to the Master Servicer and the Trustee, as applicable, without unreasonable effort or expense regarding the performance or servicing of the Mortgage Loans (in the case of the Trustee, based on the information provided by the Master Servicer) as is reasonably required to facilitate preparation of distribution reports

in accordance with Item 1121 of Regulation AB. Such information shall be provided concurrently with the delivery of the reports specified in Section 4.06(c) in the case of the Master Servicer and the Monthly Statement in the case of the Trustee, commencing with the first such report due not less than five Business Days following such request.

(c) The Trustee shall not have any responsibility to file any items (other than those generated by it) that have not been received in a format suitable (or readily convertible into a format suitable) for electronic filing via the EDGAR system and shall not have any responsibility to convert any such items to such format (other than those items generated by it or that are readily convertible to such format). The Trustee shall have no liability to the Certificateholders, the Trust Fund, the Master Servicer or the Depositor with respect to any failure to properly prepare or file any of Form 10-D to the extent that such failure is not the result of any negligence, bad faith or willful misconduct on its part.

SECTION 11.03. Form 8-K Filings.

The Master Servicer shall prepare and file on behalf of the Trust Fund any Form 8-K required by the Exchange Act. Each Form 8-K must be signed by the Master Servicer. Each of the Master Servicer (and the Master Servicer shall cause any Subservicer to promptly notify), and the Trustee shall promptly notify the Depositor and the Master Servicer (if the notifying party is not the Master Servicer), but in no event later than one (1) Business Day after its occurrence, of any Reportable Event of which it has actual knowledge. Each Person shall be deemed to have actual knowledge of any such event to the extent that it relates to such Person or any action or failure to act by such Person. Concurrently with any transfer of Supplemental Mortgage Loans, if any, Countrywide shall notify the Depositor and the Master Servicer, if any material pool characteristic of the actual asset pool at the time of issuance of the Certificates differs by 5% or more (other than as a result of the pool assets converting into cash in accordance with their terms) from the description of the asset pool in the Prospectus Supplement.

SECTION 11.04. Form 10-K Filings.

Prior to March 30th of each year, commencing in 2007 (or such earlier date as may be required by the Exchange Act), the Depositor shall prepare and file on behalf of the Trust Fund a Form 10-K, in form and substance as required by the Exchange Act. A senior officer in charge of the servicing function of the Master Servicer shall sign each Form 10-K filed on behalf of the Trust Fund. Such Form 10-K shall include as exhibits each (i) annual compliance statement described under Section 3.16, (ii) annual report on assessments of compliance with servicing criteria described under Section 11.07 and (iii) accountant's report described under Section 11.07. Each Form 10-K shall also include any Sarbanes-Oxley Certification required to be included therewith, as described in Section 11.05.

If the Item 1119 Parties listed on Exhibit T have changed since the Closing Date, no later than March 1 of each year, the Master Servicer shall provide each of the Master Servicer (and the Master Servicer shall provide any Subservicer) and the Trustee with an updated Exhibit T setting forth the Item 1119 Parties. No later than March 15 of each year, commencing in 2007, the Master Servicer and the Trustee shall notify (and the Master Servicer shall cause any Subservicer to notify) the Depositor and the Master Servicer of any Form 10-K Disclosure Item, together with a description of any such Form 10-K Disclosure Item in form and substance

reasonably acceptable to the Depositor. Additionally, each of the Master Servicer and the Trustee shall provide, and shall cause each Reporting Subcontractor retained by the Master Servicer or the Trustee, as applicable, and in the case of the Master Servicer shall cause each Subservicer, to provide, the following information no later than March 15 of each year in which a Form 10-K is required to be filed on behalf of the Trust Fund: (i) if such Person's report on assessment of compliance with servicing criteria described under Section 11.07 or related registered public accounting firm attestation report described under Section 11.07 identifies any material instance of noncompliance, notification of such instance of noncompliance and (ii) if any such Person's report on assessment of compliance with servicing criteria or related registered public accounting firm attestation report is not provided to be filed as an exhibit to such Form 10-K, information detailing the explanation why such report is not included.

SECTION 11.05. Sarbanes-Oxley Certification.

Each Form 10-K shall include a certification (the "Sarbanes-Oxley Certification") required by Rules 13a-14(d) and 15d-14(d) under the Exchange Act (pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Commission promulgated thereunder (including any interpretations thereof by the Commission's staff)). No later than March 15 of each year, beginning in 2007, the Master Servicer and the Trustee shall (unless such person is the Certifying Person), and the Master Servicer shall cause each Subservicer and each Reporting Subcontractor and the Trustee shall cause each Reporting Subcontractor to, provide to the Person who signs the Sarbanes-Oxley Certification (the "Certifying Person") a certification (each, a "Performance Certification"), in the form attached hereto as Exhibit R-1 (in the case of a Subservicer or any Reporting Subcontractor of the Master Servicer or a Subservicer) and Exhibit R-2 (in the case of the Trustee or any Reporting Subcontractor of the Trustee), on 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 in charge of the servicing function of the Master Servicer shall serve as the Certifying Person on behalf of the Trust Fund. Neither the Master Servicer nor the Depositor will request delivery of a certification under this clause unless the Depositor is required under the Exchange Act to file an annual report on Form 10-K with respect to the Trust Fund. In the event that prior to the filing date of the Form 10-K in March of each year, the Trustee or the Depositor has actual knowledge of information material to the Sarbanes-Oxley Certification, the Trustee or the Depositor, as the case may be, shall promptly notify the Master Servicer and the Depositor. The respective parties hereto agree to cooperate with all reasonable requests made by any Certifying Person or Certification Party in connection with such Person's attempt to conduct any due diligence that such Person reasonably believes to be appropriate in order to allow it to deliver any Sarbanes-Oxley Certification or portion thereof with respect to the Trust Fund.

SECTION 11.06. Form 15 Filing.

Prior to January 30 of the first year in which the Depositor is able to do so under applicable law, the Depositor shall file a Form 15 relating to the automatic suspension of reporting in respect of the Trust Fund under the Exchange Act.

SECTION 11.07. Report on Assessment of Compliance and Attestation.

(a) On or before March 15 of each calendar year, commencing in 2007:

(i) Each of the Master Servicer and the Trustee shall deliver to the Depositor and the Master Servicer a report (in form and substance reasonably satisfactory to the Depositor) regarding the Master Servicer's or the Trustee's, as applicable, assessment of compliance with the Servicing Criteria during the immediately preceding calendar year, as required under Rules 13a-18 and 15d-18 of the Exchange Act and Item 1122 of Regulation AB. Such report shall be signed by an authorized officer of such Person and shall address each of the Servicing Criteria specified on a certification substantially in the form of Exhibit S hereto delivered to the Depositor concurrently with the execution of this Agreement. To the extent any of the Servicing Criteria are not applicable to such Person, with respect to asset-backed securities transactions taken as a whole involving such Person and that are backed by the same asset type backing the Certificates, such report shall include such a statement to that effect. The Depositor and the Master Servicer, and each of their respective officers and directors shall be entitled to rely on upon each such servicing criteria assessment.

(ii) Each of the Master Servicer and the Trustee shall deliver to the Depositor and the Master Servicer a report of a registered public accounting firm reasonably acceptable to the Depositor that attests to, and reports on, the assessment of compliance made by Master Servicer or the Trustee, as applicable, and delivered pursuant to the preceding paragraphs. Such attestation shall be in accordance with Rules 1-02(a)(3) and 2-02(g) of Regulation S-X under the Securities Act and the Exchange Act, including, without limitation that 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. To the extent any of the Servicing Criteria are not applicable to such Person, with respect to asset-backed securities transactions taken as a whole involving such Person and that are backed by the same asset type backing the Certificates, such report shall include such a statement to that effect.

(iii) The Master Servicer shall cause each Subservicer and each Reporting Subcontractor to deliver to the Depositor an assessment of compliance and accountant's attestation as and when provided in paragraphs (a) and (b) of this Section 11.07.

(iv) The Trustee shall cause each Reporting Subcontractor to deliver to the Depositor and the Master Servicer an assessment of compliance and accountant's attestation as and when provided in paragraphs (a) and (b) of this Section.

(v) The Master Servicer and the Trustee shall execute (and the Master Servicer shall cause each Subservicer to execute, and the Master Servicer and the Trustee shall cause each Reporting Subcontractor to execute) a reliance certificate to enable the Certification Parties to rely upon each (i) annual compliance statement provided pursuant to Section 3.16, (ii) annual report on assessments of compliance with servicing criteria provided pursuant to this Section 11.07 and (iii) accountant's report provided pursuant to this Section 11.07 and shall include a certification that each such annual compliance

statement or report discloses any deficiencies or defaults described to the registered public accountants of such Person to enable such accountants to render the certificates provided for in this Section 11.07. In the event the Master Servicer, any Subservicer, the Trustee or Reporting Subcontractor is terminated or resigns during the term of this Agreement, such Person shall provide a certification to the Certifying Person pursuant to this Section 11.07 with respect to the period of time it was subject to this Agreement or provided services with respect to the Trust Fund, the Certificates or the Mortgage Loans.

(b) In the event the Master Servicer, any Subservicer, the Trustee or Reporting Subcontractor is terminated or resigns during the term of this Agreement, such Person shall provide documents and information required by this Section 11.07 with respect to the period of time it was subject to this Agreement or provided services with respect to the Trust Fund, the Certificates or the Mortgage Loans.

(c) Each assessment of compliance provided by a Subservicer pursuant to Section 11.07(a)(3) shall address each of the Servicing Criteria specified on a certification substantially in the form of Exhibit S hereto delivered to the Depositor concurrently with the execution of this Agreement or, in the case of a Subservicer subsequently appointed as such, on or prior to the date of such appointment. An assessment of compliance provided by a Subcontractor pursuant to Section 11.07(a)(3) or (4) need not address any elements of the Servicing Criteria other than those specified by the Master Servicer or the Trustee, as applicable, pursuant to Section 11.07(a)(1).

SECTION 11.08. Use of Subservicers and Subcontractors.

(a) The Master Servicer shall cause any Subservicer used by the Master Servicer (or by any Subservicer) for the benefit of the Depositor to comply with the provisions of Section 3.16 and this Article XI to the same extent as if such Subservicer were the Master Servicer (except with respect to the Master Servicer's duties with respect to preparing and filing any Exchange Act Reports or as the Certifying Person). The Master Servicer shall be responsible for obtaining from each Subservicer and delivering to the Depositor any servicer compliance statement required to be delivered by such Subservicer under Section 3.16, any assessment of compliance and attestation required to be delivered by such Subservicer under Section 11.07 and any certification required to be delivered to the Certifying Person under Section 11.05 as and when required to be delivered. As a condition to the succession to any Subservicer as subservicer under this Agreement by any Person (i) into which such Subservicer may be merged or consolidated, or (ii) which may be appointed as a successor to any Subservicer, the Master Servicer shall provide to the Depositor, at least 15 calendar days prior to the effective date of such succession or appointment, (x) written notice to the Depositor of such succession or appointment and (y) in writing and in form and substance reasonably satisfactory to the Depositor, all information reasonably requested by the Depositor in order to comply with its reporting obligation under Item 6.02 of Form 8-K.

(b) It shall not be necessary for the Master Servicer, any Subservicer or the Trustee to seek the consent of the Depositor or any other party hereto to the utilization of any Subcontractor. The Master Servicer or the Trustee, as applicable, shall promptly upon request provide to the Depositor (or any designee of the Depositor, such as the Master Servicer or administrator) a written description (in form and substance satisfactory to the Depositor) of the

role and function of each Subcontractor utilized by such Person (or in the case of the Master Servicer, any Subservicer), specifying (i) the identity of each such Subcontractor, (ii) which (if any) of such Subcontractors are "participating in the servicing function" within the meaning of Item 1122 of Regulation AB, and (iii) which elements of the Servicing Criteria will be addressed in assessments of compliance provided by each Subcontractor identified pursuant to clause (ii) of this paragraph.

As a condition to the utilization of any Subcontractor determined to be a Reporting Subcontractor, the Master Servicer or the Trustee, as applicable, shall cause any such Subcontractor used by such Person (or in the case of the Master Servicer, any Subservicer) for the benefit of the Depositor to comply with the provisions of Sections 11.07 and 11.09 of this Agreement to the same extent as if such Subcontractor were the Master Servicer (except with respect to the Master Servicer's duties with respect to preparing and filing any Exchange Act Reports or as the Certifying Person) or the Trustee, as applicable. The Master Servicer or the Trustee, as applicable, shall be responsible for obtaining from each Subcontractor and delivering to the Depositor and the Master Servicer, any assessment of compliance and attestation required to be delivered by such Subcontractor under Section 11.05 and Section 11.07, in each case as and when required to be delivered.

SECTION 11.09. Amendments.

In the event the parties to this Agreement desire to further clarify or amend any provision of this Article XI, this Agreement shall be amended to reflect the new agreement between the parties covering matters in this Article XI pursuant to Section 10.01, which amendment shall not require any Opinion of Counsel or Rating Agency confirmations or the consent of any Certificateholder. If, during the period that the Depositor is required to file Exchange Act Reports with respect to the Trust Fund, the Master Servicer is no longer an Affiliate of the Depositor, the Depositor shall assume the obligations and responsibilities of the Master Servicer in this Article XI with respect to the preparation and filing of the Exchange Act Reports and/or acting as the Certifying Person, if the Depositor has received indemnity from such successor Master Servicer satisfactory to the Depositor, and such Master Servicer has agreed to provide a Sarbanes-Oxley Certification to the Depositor substantially in the form of Exhibit U, and the certifications referred to in Section 11.07.

SECTION 11.10. Reconciliation of Accounts.

Any reconciliation of Accounts performed by any party hereto, or any Subservicer or Subcontractor, shall be prepared no later than 45 calendar days after the bank statement cutoff date.

* * * * * *

IN WITNESS WHEREOF, the Depositor, the Trustee, the Sellers and the Master Servicer have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

CWALT, INC.,
as Depositor

By: _____
Name: Michael Schloessmann
Title: Vice President

THE BANK OF NEW YORK,
as Trustee

By: _____
Name: **MICHAEL CERCHIO**
Title: **ASSISTANT TREASURER**

COUNTRYWIDE HOME LOANS, INC.,
as Seller

By: _____
Name: Michael Schloessmann
Title: Senior Vice President

PARK GRANADA LLC,
as Seller

By: _____
Name: Michael Schloessmann
Title: Assistant Vice President

COUNTRYWIDE HOME LOANS SERVICING LP,
as Master Servicer

By: Countrywide GP, Inc.

By: _____
Name: Michael Schloessmann
Title: Senior Vice President

PARK SIENNA LLC,
as Seller

By: _____
Name: Michael Schloessmann
Title: Assistant Vice President

PARK MONACO INC.,
as Seller

By: _____
Name: Michael Schloessmann
Title: Vice President

Acknowledged solely with respect to the Trustee's obligations under Section 4.01(b):

THE BANK OF NEW YORK, in its individual capacity

By: _____

Name: Paul Connolly
Title: Vice President

CWALT 2006-OA19

SCHEDULE I
Mortgage Loan Schedule
[Delivered at Closing to Trustee]

SCHEDULE I-A
Prepayment Charge Schedule
[Delivered at Closing to Trustee]

SCHEDULE II-A
CWALT, Inc.
Mortgage Pass-Through Certificates
Series 2006-OA19
Representations and Warranties of Countrywide

Countrywide Home Loans, Inc. ("Countrywide") hereby makes the representations and warranties set forth in this Schedule II-A to the Depositor, the Master Servicer and the Trustee, as of the Closing Date or if so specified herein, as of the Initial Cut-off Date. Capitalized terms used but not otherwise defined in this Schedule II-A shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Countrywide, as a seller, Park Granada LLC as a seller, Park Monaco Inc., as a seller, Park Sienna LLC, as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) Countrywide is duly organized as a New York corporation and is validly existing and in good standing under the laws of the State of New York and is duly authorized and qualified to transact any and all business contemplated by the Pooling and Servicing Agreement to be conducted by Countrywide in any state in which a Mortgaged Property is located or is otherwise not required under applicable law to effect such qualification and, in any event, is in compliance with the doing business laws of any such state, to the extent necessary to perform any of its obligations under the Pooling and Servicing Agreement and each Supplemental Transfer Agreement in accordance with the terms thereof.

(2) Countrywide has the full corporate power and authority to sell each Countrywide Mortgage Loan, and to execute, deliver and perform, and to enter into and consummate the transactions contemplated by the Pooling and Servicing Agreement and each Supplemental Transfer Agreement and has duly authorized by all necessary corporate action on the part of Countrywide the execution, delivery and performance of the Pooling and Servicing Agreement and each Supplemental Transfer Agreement; and the Pooling and Servicing Agreement and each Supplemental Transfer Agreement, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitutes a legal, valid and binding obligation of Countrywide, enforceable against Countrywide in accordance with its terms, except that (a) the enforceability thereof may be limited by bankruptcy, insolvency, moratorium, receivership and other similar laws relating to creditors' rights generally and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(3) The execution and delivery of the Pooling and Servicing Agreement and each Supplemental Transfer Agreement by Countrywide, the sale of the Countrywide Mortgage Loans by Countrywide under the Pooling and Servicing Agreement and each Supplemental Transfer Agreement, the consummation of any other of the transactions contemplated by the Pooling and Servicing Agreement, and the fulfillment of or compliance with the terms thereof are in the ordinary course of business of Countrywide and will not (A) result in a material breach of any term or provision of the charter or by-laws of Countrywide or (B) materially conflict with, result in a material breach, violation or acceleration of, or result in a material default under, the

terms of any other material agreement or instrument to which Countrywide is a party or by which it may be bound, or (C) constitute a material violation of any statute, order or regulation applicable to Countrywide of any court, regulatory body, administrative agency or governmental body having jurisdiction over Countrywide; and Countrywide is not in breach or violation of any material indenture or other material agreement or instrument, or in violation of any statute, order or regulation of any court, regulatory body, administrative agency or governmental body having jurisdiction over it which breach or violation may materially impair Countrywide's ability to perform or meet any of its obligations under the Pooling and Servicing Agreement.

(4) Countrywide is an approved servicer of conventional mortgage loans for FNMA or FHLMC and is a mortgagee approved by the Secretary of Housing and Urban Development pursuant to sections 203 and 211 of the National Housing Act.

(5) No litigation is pending or, to the best of Countrywide's knowledge, threatened, against Countrywide that would materially and adversely affect the execution, delivery or enforceability of the Pooling and Servicing Agreement or the ability of Countrywide to sell the Countrywide Mortgage Loans or to perform any of its other obligations under the Pooling and Servicing Agreement in accordance with the terms thereof.

(6) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by Countrywide of, or compliance by Countrywide with, the Pooling and Servicing Agreement or the consummation of the transactions contemplated thereby, or if any such consent, approval, authorization or order is required, Countrywide has obtained the same.

(7) Countrywide intends to treat the transfer of the Countrywide Mortgage Loans to the Depositor as a sale of the Countrywide Mortgage Loans for all tax, accounting and regulatory purposes.

(8) Countrywide is a member of MERS in good standing, and will comply in all material respects with the rules and procedures of MERS in connection with the servicing of the MERS Mortgage Loans in the Trust Fund for as long as such Mortgage Loans are registered with MERS.

SCHEDULE II-B

CWALT, Inc.

Mortgage Pass-Through Certificates

Series 2006-OA19

Representations and Warranties of Park Granada

Park Granada LLC ("Park Granada") and Countrywide Home Loans, Inc. ("Countrywide"), each hereby makes the representations and warranties set forth in this Schedule II-B to the Depositor, the Master Servicer and the Trustee, as of the Closing Date, or if so specified herein, as of the Initial Cut-off Date. Capitalized terms used but not otherwise defined in this Schedule II-B shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Park Granada, as a seller, Park Monaco Inc., as a seller, Park Sienna LLC, as a seller, Countrywide, as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) Park Granada is a limited liability company duly formed and validly existing and in good standing under the laws of the State of Delaware.

(2) Park Granada has the full corporate power and authority to sell each Park Granada Mortgage Loan, and to execute, deliver and perform, and to enter into and consummate the transactions contemplated by the Pooling and Servicing Agreement and each Supplemental Transfer Agreement and has duly authorized by all necessary corporate action on the part of Park Granada the execution, delivery and performance of the Pooling and Servicing Agreement and each Supplemental Transfer Agreement; and the Pooling and Servicing Agreement and each Supplemental Transfer Agreement, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitutes a legal, valid and binding obligation of Park Granada, enforceable against Park Granada in accordance with its terms, except that (a) the enforceability thereof may be limited by bankruptcy, insolvency, moratorium, receivership and other similar laws relating to creditors' rights generally and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(3) The execution and delivery of the Pooling and Servicing Agreement and each Supplemental Transfer Agreement by Park Granada, the sale of the Park Granada Mortgage Loans by Park Granada under the Pooling and Servicing Agreement and each Supplemental Transfer Agreement, the consummation of any other of the transactions contemplated by the Pooling and Servicing Agreement, and the fulfillment of or compliance with the terms thereof are in the ordinary course of business of Park Granada and will not (A) result in a material breach of any term or provision of the certificate of formation or the limited liability company agreement of Park Granada or (B) materially conflict with, result in a material breach, violation or acceleration of, or result in a material default under, the terms of any other material agreement or instrument to which Park Granada is a party or by which it may be bound, or (C) constitute a material violation of any statute, order or regulation applicable to Park Granada of any court,

regulatory body, administrative agency or governmental body having jurisdiction over Park Granada; and Park Granada is not in breach or violation of any material indenture or other material agreement or instrument, or in violation of any statute, order or regulation of any court, regulatory body, administrative agency or governmental body having jurisdiction over it which breach or violation may materially impair Park Granada's ability to perform or meet any of its obligations under the Pooling and Servicing Agreement.

(4) No litigation is pending or, to the best of Park Granada's knowledge, threatened, against Park Granada that would materially and adversely affect the execution, delivery or enforceability of the Pooling and Servicing Agreement or the ability of Park Granada to sell the Park Granada Mortgage Loans or to perform any of its other obligations under the Pooling and Servicing Agreement in accordance with the terms thereof.

(5) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by Park Granada of, or compliance by Park Granada with, the Pooling and Servicing Agreement or the consummation of the transactions contemplated thereby, or if any such consent, approval, authorization or order is required, Park Granada has obtained the same.

(6) Park Granada intends to treat the transfer of the Park Granada Mortgage Loans to the Depositor as a sale of the Park Granada Mortgage Loans for all tax, accounting and regulatory purposes.

SCHEDULE II-C

CWALT, Inc.

Mortgage Pass-Through Certificates

Series 2006-OA19

Representations and Warranties of Park Monaco

Park Monaco Inc. ("Park Monaco") and Countrywide Home Loans, Inc. ("Countrywide"), each hereby makes the representations and warranties set forth in this Schedule II-C to the Depositor, the Master Servicer and the Trustee, as of the Closing Date, or if so specified herein, as of the Initial Cut-off Date. Capitalized terms used but not otherwise defined in this Schedule II-C shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Park Monaco, as a seller, Countrywide, as a seller, Park Granada LLC, as a seller, Park Sienna LLC, as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) Park Monaco is a corporation duly formed and validly existing and in good standing under the laws of the State of Delaware.

(2) Park Monaco has the full corporate power and authority to sell each Park Monaco Mortgage Loan, and to execute, deliver and perform, and to enter into and consummate the transactions contemplated by the Pooling and Servicing Agreement and each Supplemental Transfer Agreement and has duly authorized by all necessary corporate action on the part of Park Monaco the execution, delivery and performance of the Pooling and Servicing Agreement and each Supplemental Transfer Agreement; and the Pooling and Servicing Agreement and each Supplemental Transfer Agreement, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitutes a legal, valid and binding obligation of Park Monaco, enforceable against Park Monaco in accordance with its terms, except that (a) the enforceability thereof may be limited by bankruptcy, insolvency, moratorium, receivership and other similar laws relating to creditors' rights generally and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(3) The execution and delivery of the Pooling and Servicing Agreement and each Supplemental Transfer Agreement by Park Monaco, the sale of the Park Monaco Mortgage Loans by Park Monaco under the Pooling and Servicing Agreement and each Supplemental Transfer Agreement, the consummation of any other of the transactions contemplated by the Pooling and Servicing Agreement and each Supplemental Transfer Agreement, and the fulfillment of or compliance with the terms thereof are in the ordinary course of business of Park Monaco and will not (A) result in a material breach of any term or provision of the certificate of incorporation or by-laws of Park Monaco or (B) materially conflict with, result in a material breach, violation or acceleration of, or result in a material default under, the terms of any other material agreement or instrument to which Park Monaco is a party or by which it may be bound, or (C) constitute a material violation of any statute, order or regulation applicable to Park

Monaco of any court, regulatory body, administrative agency or governmental body having jurisdiction over Park Monaco; and Park Monaco is not in breach or violation of any material indenture or other material agreement or instrument, or in violation of any statute, order or regulation of any court, regulatory body, administrative agency or governmental body having jurisdiction over it which breach or violation may materially impair Park Monaco's ability to perform or meet any of its obligations under the Pooling and Servicing Agreement.

(4) No litigation is pending or, to the best of Park Monaco's knowledge, threatened, against Park Monaco that would materially and adversely affect the execution, delivery or enforceability of the Pooling and Servicing Agreement or the ability of Park Monaco to sell the Park Monaco Mortgage Loans or to perform any of its other obligations under the Pooling and Servicing Agreement in accordance with the terms thereof.

(5) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by Park Monaco of, or compliance by Park Monaco with, the Pooling and Servicing Agreement or the consummation of the transactions contemplated thereby, or if any such consent, approval, authorization or order is required, Park Monaco has obtained the same.

(6) Park Monaco intends to treat the transfer of the Park Monaco Mortgage Loans to the Depositor as a sale of the Park Monaco Mortgage Loans for all tax, accounting and regulatory purposes.

SCHEDULE II-D

CWALT, Inc.

Mortgage Pass-Through Certificates

Series 2006-OA19

Representations and Warranties of Park Sienna

Park Sienna LLC ("Park Sienna") and Countrywide Home Loans, Inc. ("Countrywide"), each hereby makes the representations and warranties set forth in this Schedule II-D to the Depositor, the Master Servicer and the Trustee, as of the Closing Date, or if so specified herein, as of the Initial Cut-off Date. Capitalized terms used but not otherwise defined in this Schedule II-D shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Park Sienna, as a seller, Countrywide, as a seller, Park Granada LLC, as a seller, Park Monaco Inc., as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) Park Sienna is a limited liability company duly formed and validly existing and in good standing under the laws of the State of Delaware.

(2) Park Sienna has the full corporate power and authority to sell each Park Sienna Mortgage Loan, and to execute, deliver and perform, and to enter into and consummate the transactions contemplated by the Pooling and Servicing Agreement and each Supplemental Transfer Agreement and has duly authorized by all necessary corporate action on the part of Park Sienna the execution, delivery and performance of the Pooling and Servicing Agreement and each Supplemental Transfer Agreement; and the Pooling and Servicing Agreement and each Supplemental Transfer Agreement, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitutes a legal, valid and binding obligation of Park Sienna, enforceable against Park Sienna in accordance with its terms, except that (a) the enforceability thereof may be limited by bankruptcy, insolvency, moratorium, receivership and other similar laws relating to creditors' rights generally and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(3) The execution and delivery of the Pooling and Servicing Agreement and each Supplemental Transfer Agreement by Park Sienna, the sale of the Park Sienna Mortgage Loans by Park Sienna under the Pooling and Servicing Agreement and each Supplemental Transfer Agreement, the consummation of any other of the transactions contemplated by the Pooling and Servicing Agreement, and the fulfillment of or compliance with the terms thereof are in the ordinary course of business of Park Sienna and will not (A) result in a material breach of any term or provision of the certificate of formation or the limited liability company agreement of Park Sienna or (B) materially conflict with, result in a material breach, violation or acceleration of, or result in a material default under, the terms of any other material agreement or instrument to which Park Sienna is a party or by which it may be bound, or (C) constitute a material violation of any statute, order or regulation applicable to Park Sienna of any court, regulatory

body, administrative agency or governmental body having jurisdiction over Park Sienna; and Park Sienna is not in breach or violation of any material indenture or other material agreement or instrument, or in violation of any statute, order or regulation of any court, regulatory body, administrative agency or governmental body having jurisdiction over it which breach or violation may materially impair Park Sienna's ability to perform or meet any of its obligations under the Pooling and Servicing Agreement.

(4) No litigation is pending or, to the best of Park Sienna's knowledge, threatened, against Park Sienna that would materially and adversely affect the execution, delivery or enforceability of the Pooling and Servicing Agreement or the ability of Park Sienna to sell the Park Sienna Mortgage Loans or to perform any of its other obligations under the Pooling and Servicing Agreement in accordance with the terms thereof.

(5) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by Park Sienna of, or compliance by Park Sienna with, the Pooling and Servicing Agreement or the consummation of the transactions contemplated thereby, or if any such consent, approval, authorization or order is required, Park Sienna has obtained the same.

(6) Park Sienna intends to treat the transfer of the Park Sienna Mortgage Loans to the Depositor as a sale of the Park Sienna Mortgage Loans for all tax, accounting and regulatory purposes.

SCHEDULE III-A

CWALT, Inc.

Mortgage Pass-Through Certificates

Series 2006-OA19

Representations and Warranties of Countrywide as to all of the Mortgage Loans

Countrywide Home Loans, Inc. ("Countrywide") hereby makes the representations and warranties set forth in this Schedule III-A to the Depositor, the Master Servicer and the Trustee, with respect to all of the Initial Mortgage Loans as of the Closing Date, or if so specified herein, as of the Initial Cut-off Date, and with respect to all of the Supplemental Mortgage Loans as of the related Supplemental Transfer Date or if so specified herein, as of the related Supplemental Cut-off Date. Capitalized terms used but not otherwise defined in this Schedule III-A shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Countrywide, as a seller, Park Granada LLC, as a seller, Park Monaco Inc., as a seller, Park Sienna LLC, as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) The information set forth on Schedule I to the Pooling and Servicing Agreement with respect to each Initial Mortgage Loan is true and correct in all material respects as of the Closing Date and with respect to each Supplemental Mortgage Loan is true and correct in all material respects as of the related Supplemental Transfer Date.

(2) As of the Cut-off Date, none of the Mortgage Loans are 30 days or more delinquent.

(3) No Initial Mortgage Loan had a Loan-to-Value Ratio at origination in excess of 100.00%.

(4) Each Mortgage is a valid and enforceable first lien on the Mortgaged Property subject only to (a) the lien of non delinquent current real property taxes and assessments, (b) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such Mortgage, such exceptions appearing of record being acceptable to mortgage lending institutions generally or specifically reflected in the appraisal made in connection with the origination of the related Mortgage Loan, and (c) other matters to which like properties are commonly subject which do not materially interfere with the benefits of the security intended to be provided by such Mortgage.

(5) [Reserved].

(6) There is no delinquent tax or assessment lien against any Mortgaged Property.

(7) There is no valid offset, defense or counterclaim to any Mortgage Note or Mortgage, including the obligation of the Mortgagor to pay the unpaid principal of or interest on such Mortgage Note.

(8) There are no mechanics' liens or claims for work, labor or material affecting any Mortgaged Property which are or may be a lien prior to, or equal with, the lien of such Mortgage, except those which are insured against by the title insurance policy referred to in item (12) below.

(9) As of the Closing Date, to the best of Countrywide's knowledge, each Mortgaged Property is free of material damage and in good repair.

(10) Each Mortgage Loan at origination complied in all material respects with applicable local, state and federal laws, including, without limitation, usury, equal credit opportunity, predatory and abusive lending laws, real estate settlement procedures, truth-in-lending and disclosure laws, and consummation of the transactions contemplated hereby will not involve the violation of any such laws.

(11) As of the Closing Date with respect to the Initial Mortgage Loans and as of the related Supplemental Transfer Date with respect to the Supplemental Mortgage Loans, neither the Sellers, neither Countrywide nor any prior holder of any Mortgage has modified the Mortgage in any material respect (except that a Mortgage Loan may have been modified by a written instrument which has been recorded or submitted for recordation, if necessary, to protect the interests of the Certificateholders and the original or a copy of which has been delivered to the Trustee); satisfied, cancelled or subordinated such Mortgage in whole or in part; released the related Mortgaged Property in whole or in part from the lien of such Mortgage; or executed any instrument of release, cancellation, modification or satisfaction with respect thereto.

(12) A lender's policy of title insurance together with a condominium endorsement, adjustable rate rider, negative amortization endorsement and extended coverage endorsement, if applicable, in an amount at least equal to the Cut-off Date Stated Principal Balance of each such Mortgage Loan or a commitment (binder) to issue the same was effective on the date of the origination of each Mortgage Loan, each such policy is valid and remains in full force and effect, and each such policy was issued by a title insurer qualified to do business in the jurisdiction where the Mortgaged Property is located and acceptable to FNMA or FHLMC and is in a form acceptable to FNMA or FHLMC, which policy insures Countrywide and successor owners of indebtedness secured by the insured Mortgage, as to the first priority lien of the Mortgage subject to the exceptions set forth in paragraph (4) above and against any loss by reason of the invalidity or the unenforceability of the lien resulting from the provisions of the Mortgage providing for adjustment of the mortgage interest rate and/or the monthly payment including any negative amortization thereunder. To the best of Countrywide's knowledge, no claims have been made under such mortgage title insurance policy and no prior holder of the related Mortgage, including Countrywide, has done, by act or omission, anything which would impair the coverage of such mortgage title insurance policy.

(13) With respect to each Mortgage Loan, all mortgage rate and payment adjustments, if any, made on or prior to the Cut-off Date have been made in accordance with the terms of the related Mortgage Note or subsequent modifications, if any, and applicable law.

(14) Each Mortgage Loan was originated (within the meaning of Section 3(a)(41) of the Securities Exchange Act of 1934, as amended) by an entity that satisfied at the time of origination the requirements of Section 3(a)(41) of the Securities Exchange Act of 1934, as amended.

(15) To the best of Countrywide's knowledge, all of the improvements which were included for the purpose of determining the Appraised Value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of such property, and no improvements on adjoining properties encroach upon the Mortgaged Property.

(16) To the best of Countrywide's knowledge, no improvement located on or being part of the Mortgaged Property is in violation of any applicable zoning law or regulation. To the best of Countrywide's knowledge, all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Mortgaged Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities, unless the lack thereof would not have a material adverse effect on the value of such Mortgaged Property, and the Mortgaged Property is lawfully occupied under applicable law.

(17) Each Mortgage Note and the related Mortgage are genuine, and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms and under applicable law. To the best of Countrywide's knowledge, all parties to the Mortgage Note and the Mortgage had legal capacity to execute the Mortgage Note and the Mortgage and each Mortgage Note and Mortgage have been duly and properly executed by such parties.

(18) The proceeds of the Mortgage Loans have been fully disbursed, there is no requirement for future advances thereunder and any and all requirements as to completion of any on-site or off-site improvements and as to disbursements of any escrow funds therefor have been complied with. All costs, fees and expenses incurred in making, or closing or recording the Mortgage Loans were paid.

(19) The related Mortgage contains customary and enforceable provisions which render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security, including, (i) in the case of a Mortgage designated as a deed of trust, by trustee's sale, and (ii) otherwise by judicial foreclosure.

(20) With respect to each Mortgage constituting a deed of trust, a trustee, duly qualified under applicable law to serve as such, has been properly designated and currently so serves and is named in such Mortgage, and no fees or expenses are or will become payable by the Certificateholders to the trustee under the deed of trust, except in connection with a trustee's sale after default by the Mortgagor.

(21) Each Mortgage Note and each Mortgage is in substantially one of the forms acceptable to FNMA or FHLMC, with such riders as have been acceptable to FNMA or FHLMC, as the case may be.

(22) There exist no deficiencies with respect to escrow deposits and payments, if such are required, for which customary arrangements for repayment thereof have not been made, and no escrow deposits or payments of other charges or payments due Countrywide have been capitalized under the Mortgage or the related Mortgage Note.

(23) The origination, underwriting and collection practices used by Countrywide with respect to each Mortgage Loan have been in all respects legal, prudent and customary in the mortgage lending and servicing business.

(24) There is no pledged account or other security other than real estate securing the Mortgagor's obligations.

(25) No Mortgage Loan has a shared appreciation feature, or other contingent interest feature.

(26) Each Mortgage Loan contains a customary "due on sale" clause.

(27) As of the Closing Date, 82.61% of the Initial Mortgage Loans by aggregate Stated Principal Balance of the Initial Mortgage Loans as of the Cut-off Date, provide for a Prepayment Charge.

(28) Each Mortgage Loan that had a Loan-to-Value Ratio at origination in excess of 80% is the subject of a Primary Insurance Policy that insures that portion of the principal balance equal to a specified percentage times the sum of the remaining principal balance of the related Mortgage Loan, the accrued interest thereon and the related foreclosure expenses. The specified coverage percentage for mortgage loans with terms to maturity between 25 and 30 years is 12% for Loan-to-Value Ratios between 80.01% and 85.00%, 25% for Loan-to-Value Ratios between 85.01% and 90.00%, 30% for Loan-to-Value Ratios between 90.01% and 95.00% and 35% for Loan-to-Value Ratios between 95.01% and 100%. The specified coverage percentage for mortgage loans with terms to maturity of up to 20 years ranges from 6% to 12% for Loan-to-Value Ratios between 80.01% and 85.00%, from 12% to 20% for Loan-to-Value Ratios between 85.01% and 90.00% and 20% to 25% for Loan-to-Value Ratios between 90.01% and 95.00%. Each such Primary Insurance Policy is issued by a Qualified Insurer. All provisions of any such Primary Insurance Policy have been and are being complied with, any such policy is in full force and effect, and all premiums due thereunder have been paid. Any Mortgage subject to any such Primary Insurance Policy obligates either the Mortgagor or the mortgagee thereunder to maintain such insurance and to pay all premiums and charges in connection therewith, subject, in each case, to the provisions of Section 3.09(b) of the Pooling and Servicing Agreement. The Mortgage Rate for each Mortgage Loan is net of any such insurance premium.

(29) As of the Closing Date or the related Supplemental Transfer Date, as applicable, the improvements upon each Mortgaged Property are covered by a valid and existing hazard insurance policy with a generally acceptable carrier that provides for fire and extended

coverage and coverage for such other hazards as are customary in the area where the Mortgaged Property is located in an amount which is at least equal to the lesser of (i) the maximum insurable value of the improvements securing such Mortgage Loan or (ii) the greater of (a) the outstanding principal balance of the Mortgage Loan and (b) an amount such that the proceeds of such policy shall be sufficient to prevent the Mortgagor and/or the mortgagee from becoming a co-insurer. If the Mortgaged Property is a condominium unit, it is included under the coverage afforded by a blanket policy for the condominium unit. All such individual insurance policies and all flood policies referred to in item (30) below contain a standard mortgagee clause naming Countrywide or the original mortgagee, and its successors in interest, as mortgagee, and Countrywide has received no notice that any premiums due and payable thereon have not been paid; the Mortgage obligates the Mortgagor thereunder to maintain all such insurance including flood insurance at the Mortgagor's cost and expense, and upon the Mortgagor's failure to do so, authorizes the holder of the Mortgage to obtain and maintain such insurance at the Mortgagor's cost and expense and to seek reimbursement therefor from the Mortgagor.

(30) If the Mortgaged Property is in an area identified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards, a flood insurance policy in a form meeting the requirements of the current guidelines of the Flood Insurance Administration is in effect with respect to such Mortgaged Property with a generally acceptable carrier in an amount representing coverage not less than the least of (A) the original outstanding principal balance of the Mortgage Loan, (B) the minimum amount required to compensate for damage or loss on a replacement cost basis, or (C) the maximum amount of insurance that is available under the Flood Disaster Protection Act of 1973, as amended.

(31) To the best of Countrywide's knowledge, there is no proceeding occurring, pending or threatened for the total or partial condemnation of the Mortgaged Property.

(32) There is no material monetary default existing under any Mortgage or the related Mortgage Note and, to the best of Countrywide's knowledge, there is no material event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration under the Mortgage or the related Mortgage Note; and Countrywide has not waived any default, breach, violation or event of acceleration.

(33) Each Mortgaged Property is improved by a one- to four-family residential dwelling including condominium units and dwelling units in PUDs, which, to the best of Countrywide's knowledge, does not include cooperatives or mobile homes and does not constitute other than real property under state law.

(34) Each Mortgage Loan is being master serviced by the Master Servicer.

(35) Any future advances made prior to the Cut-off Date have been consolidated with the outstanding principal amount secured by the Mortgage, and the secured principal amount, as consolidated, bears a single interest rate and single repayment term reflected on the Mortgage Loan Schedule. The consolidated principal amount does not exceed the original principal amount of the Mortgage Loan. The Mortgage Note does not permit or obligate the Master Servicer to make future advances to the Mortgagor at the option of the Mortgagor.

(36) All taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payments or ground rents which previously became due and owing have been paid, or an escrow of funds has been established in an amount sufficient to pay for every such item which remains unpaid and which has been assessed, but is not yet due and payable. Except for (A) payments in the nature of escrow payments, and (B) interest accruing from the date of the Mortgage Note or date of disbursement of the Mortgage proceeds, whichever is later, to the day which precedes by one month the Due Period of the first installment of principal and interest, including without limitation, taxes and insurance payments, the Master Servicer has not advanced funds, or induced, solicited or knowingly received any advance of funds by a party other than the Mortgagor, directly or indirectly, for the payment of any amount required by the Mortgage.

(37) Each Mortgage Loan was underwritten in all material respects in accordance with the underwriting guidelines described in the Prospectus Supplement.

(38) Other than with respect to any Streamlined Documentation Mortgage Loan as to which the loan-to-value ratio of the related Original Mortgage Loan was less than 90% at the time of the origination of such Original Mortgage Loan, prior to the approval of the Mortgage Loan application, an appraisal of the related Mortgaged Property was obtained from a qualified appraiser, duly appointed by the originator, who had no interest, direct or indirect, in the Mortgaged Property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of the Mortgage Loan; such appraisal is in a form acceptable to FNMA and FHLMC.

(39) None of the Initial Mortgage Loans is a graduated payment mortgage loan or a growing equity mortgage loan, and none of the Initial Mortgage Loans is subject to a buydown or similar arrangement.

(40) Any leasehold estate securing a Mortgage Loan has a term of not less than five years in excess of the term of the related Mortgage Loan.

(41) The Mortgage Loans were selected from among the outstanding adjustable-rate one- to four-family mortgage loans in the portfolios of the Sellers at the Closing Date as to which the representations and warranties made as to the Mortgage Loans set forth in this Schedule III-A can be made. Such selection was not made in a manner intended to adversely affect the interests of Certificateholders.

(42) Except for 10.46% of the Initial Mortgage Loans, by aggregate Stated Principal Balance of the Initial Mortgage Loans as of the Cut-off Date, each Mortgage Loan transferred and assigned to the Trustee on the Closing Date has a payment date on or before December 1, 2006.

(43) With respect to any Mortgage Loan as to which an affidavit has been delivered to the Trustee certifying that the original Mortgage Note is a Lost Mortgage Note, if such Mortgage Loan is subsequently in default, the enforcement of such Mortgage Loan or of the related Mortgage by or on behalf of the Trustee will not be materially adversely affected by the

absence of the original Mortgage Note. A "Lost Mortgage Note" is a Mortgage Note the original of which was permanently lost or destroyed and has not been replaced.

(44) The Mortgage Loans, individually and in the aggregate, conform in all material respects to the descriptions thereof in the Prospectus Supplement.

(45) No Mortgage Loan originated on or after October 1, 2002 through March 6, 2003 is governed by the Georgia Fair Lending Act.

(46) None of the Mortgage Loans are "high cost" loans as defined by applicable predatory and abusive lending laws.

(47) None of the Mortgage Loans are covered by the Home Ownership and Equity Protection Act of 1994 ("HOEPA").

(48) No Mortgage Loan is a "High-Cost Home Loan" as defined in the New Jersey Home Ownership Act effective November 27, 2003 (N.J.S.A. 46:10B-22 et seq.).

(49) No Mortgage Loan is a "High-Cost Home Loan" as defined in the New Mexico Home Loan Protection Act effective January 1, 2004 (N.M. Stat. Ann. §§ 58-21A-1 et seq.).

(50) All of the Mortgage Loans were originated in compliance with all applicable laws, including, but not limited to, all applicable anti-predatory and abusive lending laws.

(51) No Mortgage Loan is a High Cost Loan or Covered Loan, as applicable, and with respect to the foregoing, the terms "High Cost Loan" and "Covered Loan" have the meaning assigned to them in Standard & Poor's LEVELS® Version 5.7 Glossary Revised, Appendix E which is attached hereto as Exhibit O (the "Glossary") where (x) a "High Cost Loan" is each loan identified in the column "Category under applicable anti-predatory lending law" of the table entitled "Standard & Poor's High Cost Loan Categorization" in the Glossary as each such loan is defined in the applicable anti-predatory lending law of the State or jurisdiction specified in such table and (y) a "Covered Loan" is each loan identified in the column "Category under applicable anti-predatory lending law" of the table entitled "Standard & Poor's Covered Loan Categorization" in the Glossary as each such loan is defined in the applicable anti-predatory lending law of the State or jurisdiction specified in such table.

SCHEDULE III-B

CWALT, Inc.

Mortgage Pass-Through Certificates

Series 2006-OA19

Representations and Warranties of Countrywide as to the Countrywide Mortgage Loans

Countrywide Home Loans, Inc. ("Countrywide") hereby makes the representations and warranties set forth in this Schedule III-B to the Depositor, the Master Servicer and the Trustee, with respect to the Countrywide Mortgage Loans that are Initial Mortgage Loans as of the Closing Date, or if so specified herein, as of the Initial Cut-off Date, and with respect to Countrywide Mortgage Loans that are Supplemental Mortgage Loans, as of the related Supplemental Transfer Date or if so specified herein , as of the related Supplemental Cut-off Date. Capitalized terms used but not otherwise defined in this Schedule III-B shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Countrywide, as a seller, Park Granada LLC, as a seller, Park Monaco Inc., as a seller, Park Sienna LLC, as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) Immediately prior to the assignment of each Countrywide Mortgage Loan to the Depositor, Countrywide had good title to, and was the sole owner of, such Countrywide Mortgage Loan free and clear of any pledge, lien, encumbrance or security interest and had full right and authority, subject to no interest or participation of, or agreement with, any other party, to sell and assign the same pursuant to the Pooling and Servicing Agreement.

SCHEDULE III-C

CWALT, Inc.

Mortgage Pass-Through Certificates

Series 2006-OA19

Representations and Warranties of Park Granada as to the Park Granada Mortgage Loans

Park Granada LLC ("Park Granada") hereby makes the representations and warranties set forth in this Schedule III-C to the Depositor, the Master Servicer and the Trustee, with respect to the Park Granada Mortgage Loans that are Initial Mortgage Loans as of the Closing Date, or if so specified herein, as of the Initial Cut-off Date, and with respect to Park Granada Mortgage Loans that are Supplemental Mortgage Loans, as of the related Supplemental Transfer Date or if so specified herein, as of the related Supplemental Cut-off Date. Capitalized terms used but not otherwise defined in this Schedule III-C shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Countrywide Home Loans, Inc., as a seller, Park Granada LLC, as a seller, Park Monaco Inc., as a seller, Park Sienna LLC, as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) Immediately prior to the assignment of each Park Granada Mortgage Loan to the Depositor, Park Granada had good title to, and was the sole owner of, such Park Granada Mortgage Loan free and clear of any pledge, lien, encumbrance or security interest and had full right and authority, subject to no interest or participation of, or agreement with, any other party, to sell and assign the same pursuant to the Pooling and Servicing Agreement.

SCHEDULE III-D

CWALT, Inc.

Mortgage Pass-Through Certificates

Series 2006-OA19

Representations and Warranties of Park Monaco as to the Park Monaco Mortgage Loans

Park Monaco Inc. ("Park Monaco") hereby makes the representations and warranties set forth in this Schedule III-D to the Depositor, the Master Servicer and the Trustee, with respect to the Park Monaco Mortgage Loans that are Initial Mortgage Loans as of the Closing Date, or if so specified herein, as of the Initial Cut-off Date, and with respect to Park Monaco Mortgage Loans that are Supplemental Mortgage Loans, as of the related Supplemental Transfer Date or if so specified herein, as of the related Supplemental Cut-off Date.. Capitalized terms used but not otherwise defined in this Schedule III-D shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Countrywide Home Loans, Inc., as a seller, Park Monaco, as a seller, Park Granada LLC, as a seller, Park Sienna LLC, as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) Immediately prior to the assignment of each Park Monaco Mortgage Loan to the Depositor, Park Monaco had good title to, and was the sole owner of, such Park Monaco Mortgage Loan free and clear of any pledge, lien, encumbrance or security interest and had full right and authority, subject to no interest or participation of, or agreement with, any other party, to sell and assign the same pursuant to the Pooling and Servicing Agreement.

SCHEDULE III-E

CWALT, Inc.

Mortgage Pass-Through Certificates

Series 2006-OA19

Representations and Warranties of Park Sienna as to the Park Sienna Mortgage Loans

Park Sienna LLC ("Park Sienna") hereby makes the representations and warranties set forth in this Schedule III-E to the Depositor, the Master Servicer and the Trustee, with respect to the Park Sienna Mortgage Loans that are Initial Mortgage Loans as of the Closing Date, or if so specified herein, as of the Initial Cut-off Date, and with respect to Park Sienna Mortgage Loans that are Supplemental Mortgage Loans, as of the related Supplemental Transfer Date or if so specified herein, as of the related Supplemental Cut-off Date.. Capitalized terms used but not otherwise defined in this Schedule III-E shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Countrywide Home Loans, Inc., as a seller, Park Sienna LLC, as a seller, Park Monaco Inc., as a seller, Park Granada LLC, as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) Immediately prior to the assignment of each Park Sienna Mortgage Loan to the Depositor, Park Sienna had good title to, and was the sole owner of, such Park Sienna Mortgage Loan free and clear of any pledge, lien, encumbrance or security interest and had full right and authority, subject to no interest or participation of, or agreement with, any other party, to sell and assign the same pursuant to the Pooling and Servicing Agreement.

SCHEDULE IV

CWALT, Inc.

Mortgage Pass-Through Certificates

Series 2006-OA19

Representations and Warranties of the Master Servicer

Countrywide Home Loans Servicing LP ("Countrywide Servicing") hereby makes the representations and warranties set forth in this Schedule IV to the Depositor, the Sellers and the Trustee, as of the Closing Date. Capitalized terms used but not otherwise defined in this Schedule IV shall have the meanings ascribed thereto in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Countrywide Home Loans, Inc., as a seller, Park Granada LLC, as a seller, Park Monaco Inc., as a seller, Park Sienna LLC, as a seller, Countrywide Home Loans Servicing LP, as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee.

(1) Countrywide Servicing is duly organized as a limited partnership and is validly existing and in good standing under the laws of the State of Texas and is duly authorized and qualified to transact any and all business contemplated by the Pooling and Servicing Agreement to be conducted by Countrywide Servicing in any state in which a Mortgaged Property is located or is otherwise not required under applicable law to effect such qualification and, in any event, is in compliance with the doing business laws of any such state, to the extent necessary to perform any of its obligations under the Pooling and Servicing Agreement in accordance with the terms thereof.

(2) Countrywide Servicing has the full partnership power and authority to service each Mortgage Loan, and to execute, deliver and perform, and to enter into and consummate the transactions contemplated by the Pooling and Servicing Agreement and has duly authorized by all necessary partnership action on the part of Countrywide Servicing the execution, delivery and performance of the Pooling and Servicing Agreement; and the Pooling and Servicing Agreement, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitutes a legal, valid and binding obligation of Countrywide Servicing, enforceable against Countrywide Servicing in accordance with its terms, except that (a) the enforceability thereof may be limited by bankruptcy, insolvency, moratorium, receivership and other similar laws relating to creditors' rights generally and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(3) The execution and delivery of the Pooling and Servicing Agreement by Countrywide Servicing, the servicing of the Mortgage Loans by Countrywide Servicing under the Pooling and Servicing Agreement, the consummation of any other of the transactions contemplated by the Pooling and Servicing Agreement, and the fulfillment of or compliance with the terms thereof are in the ordinary course of business of Countrywide Servicing and will not (A) result in a material breach of any term or provision of the certificate of limited partnership, partnership agreement or other organizational document of Countrywide Servicing or

(B) materially conflict with, result in a material breach, violation or acceleration of, or result in a material default under, the terms of any other material agreement or instrument to which Countrywide Servicing is a party or by which it may be bound, or (C) constitute a material violation of any statute, order or regulation applicable to Countrywide Servicing of any court, regulatory body, administrative agency or governmental body having jurisdiction over Countrywide Servicing; and Countrywide Servicing is not in breach or violation of any material indenture or other material agreement or instrument, or in violation of any statute, order or regulation of any court, regulatory body, administrative agency or governmental body having jurisdiction over it which breach or violation may materially impair the ability of Countrywide Servicing to perform or meet any of its obligations under the Pooling and Servicing Agreement.

(4) Countrywide Servicing is an approved servicer of conventional mortgage loans for FNMA or FHLMC and is a mortgagee approved by the Secretary of Housing and Urban Development pursuant to sections 203 and 211 of the National Housing Act.

(5) No litigation is pending or, to the best of Countrywide Servicing's knowledge, threatened, against Countrywide Servicing that would materially and adversely affect the execution, delivery or enforceability of the Pooling and Servicing Agreement or the ability of Countrywide Servicing to service the Mortgage Loans or to perform any of its other obligations under the Pooling and Servicing Agreement in accordance with the terms thereof.

(6) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by Countrywide Servicing of, or compliance by Countrywide Servicing with, the Pooling and Servicing Agreement or the consummation of the transactions contemplated thereby, or if any such consent, approval, authorization or order is required, Countrywide Servicing has obtained the same.

(7) Countrywide Servicing is a member of MERS in good standing, and will comply in all material respects with the rules and procedures of MERS in connection with the servicing of the MERS Mortgage Loans for as long as such Mortgage Loans are registered with MERS.

SCHEDULE V

Principal Balance Schedules

*[Attached to Prospectus Supplement, if applicable.]

SCHEDULE VI

Form of Monthly Master Servicer Report

LOAN LEVEL REPORTING SYSTEM				
DATABASE STRUCTURE				
[MONTH, YEAR]				
Field Number	Field Name	Field Type	Field Width	Dec
1	INVNUM	Numeric	4	
2	INVBLK	Numeric	4	
3	INACNU	Character	8	
4	BEGSCH	Numeric	15	2
5	SCHPRN	Numeric	13	2
6	TADPRN	Numeric	11	2
7	LIQEPB	Numeric	11	2
8	ACTCOD	Numeric	11	
9	ACTDAT	Numeric	4	
10	INTPMT	Numeric	8	
11	PRNPMT	Numeric	13	2
12	ENDSCH	Numeric	13	2
13	SCHNOT	Numeric	13	2
14	SCHPAS	Numeric	7	3
15	PRINPT	Numeric	7	3
16	PRIBAL	Numeric	11	2
17	LPIDTE	Numeric	13	2
18	DELPRN	Numeric	7	
19	PPDPRN	Numeric	11	2
20	DELPRN	Numeric	11	2
21	NXTCHG	Numeric	8	
22	ARMNOT	Numeric	7	3
23	ARMPAS	Numeric	7	3
24	ARMPMT	Numeric	11	2
25	ZZTYPE	Character	2	
26	ISSUID	Character	1	
27	KEYNAME	Character	8	
TOTAL			240	
Suggested Format:	DBASE file Modem transmission			

EXHIBIT A

[FORM OF SENIOR CERTIFICATE]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER 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.]

[SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS 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").]

[UNTIL THIS CERTIFICATE HAS BEEN THE SUBJECT OF AN ERISA-QUALIFYING UNDERWRITING, NEITHER THIS CERTIFICATE NOR ANY INTEREST HEREIN MAY BE TRANSFERRED UNLESS THE TRANSFEREE DELIVERS TO THE TRUSTEE EITHER (A) A REPRESENTATION LETTER TO THE EFFECT THAT SUCH TRANSFEREE IS NOT, AND IS NOT INVESTING ASSETS OF, AN EMPLOYEE BENEFIT PLAN SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR A PLAN OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE CODE, OR (B) AN OPINION OF COUNSEL IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT REFERRED TO HEREIN. SUCH REPRESENTATION SHALL BE DEEMED TO HAVE BEEN MADE TO THE TRUSTEE BY THE TRANSFEREE'S ACCEPTANCE OF A CERTIFICATE OF THIS CLASS AND BY A BENEFICIAL OWNER'S ACCEPTANCE OF ITS INTEREST IN A CERTIFICATE OF THIS CLASS. NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY HEREIN, UNTIL THIS CERTIFICATE HAS BEEN THE SUBJECT OF AN ERISA-QUALIFYING UNDERWRITING, ANY PURPORTED TRANSFER OF THIS CERTIFICATE TO, OR TO A PERSON INVESTING ASSETS OF, AN EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR A PLAN OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE CODE WITHOUT THE OPINION OF COUNSEL SATISFACTORY TO THE TRUSTEE AS DESCRIBED ABOVE SHALL BE VOID AND OF NO EFFECT.]

Certificate No.	:	
Cut-off Date	:	
First Distribution Date	:	
Initial Certificate Balance of this Certificate ("Denomination")	:	$
Initial Certificate Balance of all Certificates of this Class	:	$
CUSIP	:	
ISIN	:	
Interest Rate	:	
Maturity Date	:	

CWALT, INC.
Mortgage Pass-Through Certificates, Series 200____-____
Class [ ]

evidencing a percentage interest in the distributions allocable to the Certificates of the above-referenced Class with respect to a Trust Fund consisting primarily of a pool of conventional mortgage loans (the "Mortgage Loans") secured by first liens on one- to four-family residential properties

CWALT, Inc., as Depositor

Principal in respect of this Certificate is distributable monthly as set forth herein. Accordingly, the Certificate Balance at any time may be less than the Certificate Balance as set forth herein. This Certificate does not evidence an obligation of, or an interest in, and is not guaranteed by the Depositor, the Sellers, the Master Servicer or the Trustee referred to below or any of their respective affiliates. Neither this Certificate nor the Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality.

This certifies that _____ is the registered owner of the Percentage Interest evidenced by this Certificate (obtained by dividing the denomination of this Certificate by the aggregate Initial Certificate Balance of all Certificates of the Class to which this Certificate belongs) in certain monthly distributions with respect to a Trust Fund consisting primarily of the Mortgage Loans deposited by CWALT, Inc. (the "Depositor"). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as of the Cut-off Date specified above (the "Agreement") among the Depositor, Countrywide Home Loans, Inc., as a seller ("CHL"), Park Granada LLC, as a seller ("Park Granada"), Park Monaco, Inc., as a seller ("Park Monaco"), and Park Sienna LLC, as a seller ("Park Sienna" and, together with CHL, Park Granada and Park Monaco, the "Sellers"), Countrywide Home Loans Servicing LP, as master servicer (the "Master Servicer"), and The Bank of New York, as trustee (the "Trustee"). 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.

[Until this certificate has been the subject of an ERISA-Qualifying Underwriting, no transfer of a Certificate of this Class shall be made unless the Trustee shall have received either (i) a representation letter from the transferee of such Certificate, acceptable to and in form and substance satisfactory to the Trustee, to the effect that such transferee is not an employee benefit plan subject to Section 406 of ERISA or a plan or arrangement subject to Section 4975 of the Code, or a person acting on behalf of or investing plan assets of any such benefit plan or arrangement, which representation letter shall not be an expense of the Trustee, the Master Servicer or the Trust Fund, or (ii) in the case of any such 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), a trustee of any such benefit plan or arrangement or any other person acting on behalf of any such benefit plan or arrangement, an Opinion of Counsel satisfactory to the Trustee to the effect that the purchase and holding of such Certificate will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and will not subject the Trustee or the Master Servicer to any obligation in addition to those undertaken in the Agreement, which Opinion of Counsel shall not be an expense of the Trustee, the Master Servicer or the Trust Fund. Unless the transferee delivers the Opinion of Counsel described above, such representation shall be deemed to have been made to the Trustee by the Transferee's acceptance of a Certificate of this Class and by a beneficial owner's acceptance of its interest in a Certificate of this Class. Notwithstanding anything else to the contrary herein, until such certificate has been the subject of an ERISA-Qualifying Underwriting, any purported transfer of a Certificate of this Class to, or to a person investing assets of, an employee benefit plan subject to ERISA or a plan or arrangement subject to Section 4975 of the Code without the opinion of counsel satisfactory to the Trustee as described above shall be void and of no effect.]

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose unless manually countersigned by an authorized signatory of the Trustee.

* * *

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

Dated: _____, 20__

THE BANK OF NEW YORK,
as Trustee

By _____

Countersigned:

By _____
Authorized Signatory of
THE BANK OF NEW YORK,
as Trustee

EXHIBIT B

[FORM OF SUBORDINATED CERTIFICATE]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER 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.]

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS 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").

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO CERTAIN CERTIFICATES AS DESCRIBED IN THE AGREEMENT REFERRED TO HEREIN.

THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). ANY RESALE OR TRANSFER OF THIS CERTIFICATE WITHOUT REGISTRATION THEREOF UNDER THE ACT MAY ONLY BE MADE IN A TRANSACTION EXEMPTED FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT REFERRED TO HEREIN.

[NEITHER THIS CERTIFICATE NOR ANY INTEREST HEREIN MAY BE TRANSFERRED UNLESS THE TRANSFEREE DELIVERS TO THE TRUSTEE EITHER (A) A REPRESENTATION LETTER TO THE EFFECT THAT (i) SUCH TRANSFEREE IS NOT AN EMPLOYEE BENEFIT PLAN SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE CODE, OR A PERSON ACTING ON BEHALF OF OR INVESTING THE ASSETS OF SUCH A BENEFIT PLAN OR ARRANGEMENT TO EFFECT THE TRANSFER, OR (ii) IF SUCH CERTIFICATE HAS BEEN THE SUBJECT OF AN ERISA-QUALIFYING UNDERWRITING AND THE TRANSFEREE IS AN INSURANCE COMPANY, A REPRESENTATION THAT THE TRANSFEREE IS PURCHASING SUCH CERTIFICATE WITH FUNDS CONTAINED IN AN "INSURANCE COMPANY GENERAL ACCOUNT" AS SUCH TERM IS DEFINED IN SECTION V(e) OF PROHIBITED TRANSACTION CLASS EXEMPTION ("PTCE") 95-60, AND THE

PURCHASE AND HOLDING OF THE CERTIFICATE SATISFY THE REQUIREMENTS FOR EXEMPTIVE RELIEF UNDER SECTIONS I AND III OF PTCE 95-60, OR (B) AN OPINION OF COUNSEL IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT REFERRED TO HEREIN. NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY HEREIN, ANY PURPORTED TRANSFER OF THIS CERTIFICATE TO OR ON BEHALF OF AN EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR A PLAN OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE CODE WITHOUT THE OPINION OF COUNSEL SATISFACTORY TO THE TRUSTEE AS DESCRIBED ABOVE SHALL BE VOID AND OF NO EFFECT.]

Certificate No.:		
Cut-off Date	:	
First Distribution Date	:	
Initial Certificate Balance of this Certificate ("Denomination")	:	$
Initial Certificate Balance of all Certificates of this Class	:	$
CUSIP	:	
ISIN	:	
Interest Rate	:	
Maturity Date	:	

CWALT, INC.
Mortgage Pass-Through Certificates, Series 200____-____
Class [ ]

evidencing a percentage interest in the distributions allocable to the Certificates of the above-referenced Class with respect to a Trust Fund consisting primarily of a pool of conventional mortgage loans (the "Mortgage Loans") secured by first liens on one- to four-family residential properties

CWALT, Inc., as Depositor

Principal in respect of this Certificate is distributable monthly as set forth herein. Accordingly, the Certificate Balance at any time may be less than the Certificate Balance as set forth herein. This Certificate does not evidence an obligation of, or an interest in, and is not guaranteed by the Depositor, the Sellers, the Master Servicer or the Trustee referred to below or any of their respective affiliates. Neither this Certificate nor the Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality.

This certifies that _____ is the registered owner of the Percentage Interest evidenced by this Certificate (obtained by dividing the denomination of this Certificate by the aggregate Initial Certificate Balance of all Certificates of the Class to which this Certificate belongs) in certain monthly distributions with respect to a Trust Fund consisting primarily of the Mortgage Loans deposited by CWALT, Inc. (the "Depositor"). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as of the Cut-off Date specified above (the "Agreement") among the Depositor, Countrywide Home Loans, Inc., as a seller ("CHL"), Park Granada LLC, as a seller ("Park Granada"), Park Monaco, Inc., as a seller ("Park Monaco"), and Park Sienna LLC, as a seller ("Park Sienna" and, together with CHL, Park Granada and Park Monaco, the "Sellers"), Countrywide Home Loans Servicing LP, as master servicer (the "Master Servicer"), and The Bank of New York, as trustee (the "Trustee"). 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.

[No transfer of a Certificate of this Class shall be made unless such transfer is made pursuant to an effective registration statement under the Securities Act and any applicable state securities laws or is exempt from the registration requirements under said Act and such laws. In the event that a transfer is to be made in reliance upon an exemption from the Securities Act and such laws, in order to assure compliance with the Securities Act and such laws, the Certificateholder desiring to effect such transfer and such Certificateholder's prospective transferee shall each certify to the Trustee in writing the facts surrounding the transfer. In the event that such a transfer is to be made within three years from the date of the initial issuance of Certificates pursuant hereto, there shall also be delivered (except in the case of a transfer pursuant to Rule 144A of the Securities Act) to the Trustee an Opinion of Counsel that such transfer may be made pursuant to an exemption from the Securities Act and such state securities laws, which Opinion of Counsel shall not be obtained at the expense of the Trustee, the Sellers, the Master Servicer or the Depositor. The Holder hereof desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee 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.]

[No transfer of a Certificate of this Class shall be made unless the Trustee shall have received either (i) a representation letter from the transferee of such Certificate, acceptable to and in form and substance satisfactory to the Trustee, to the effect that such transferee is not an employee benefit plan subject to Section 406 of ERISA or a plan or arrangement subject to Section 4975 of the Code, or a person acting on behalf of or investing plan assets of any such benefit plan or arrangement, which representation letter shall not be an expense of the Trustee, the Master Servicer or the Trust Fund, (ii) if such certificate has been the subject of an ERISA-Qualifying Underwriting and the transferee is an insurance company, a representation that the transferee is purchasing such Certificate 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 Certificate satisfy the

requirements for exemptive relief under Sections I and III of PTCE 95-60, or (iii) in the case of any such 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), a trustee of any such benefit plan or arrangement or any other person acting on behalf of any such benefit plan or arrangement, an Opinion of Counsel satisfactory to the Trustee to the effect that the purchase and holding of such Certificate will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and will not subject the Trustee or the Master Servicer to any obligation in addition to those undertaken in the Agreement, which Opinion of Counsel shall not be an expense of the Trustee, the Master Servicer or the Trust Fund. Notwithstanding anything else to the contrary herein, any purported transfer of a Certificate of this Class to or on behalf of an employee benefit plan subject to ERISA or a plan or arrangement subject to Section 4975 of the Code without the opinion of counsel satisfactory to the Trustee as described above shall be void and of no effect.]

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose unless manually countersigned by an authorized signatory of the Trustee.

* * *

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

Dated: _____, 20__

THE BANK OF NEW YORK,
as Trustee

By _____

Countersigned:

By _____
Authorized Signatory of
THE BANK OF NEW YORK,
as Trustee

EXHIBIT C-1

[FORM OF RESIDUAL CERTIFICATE]

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "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").

NEITHER THIS CERTIFICATE NOR ANY INTEREST HEREIN MAY BE TRANSFERRED UNLESS THE PROPOSED TRANSFEREE DELIVERS TO THE TRUSTEE A TRANSFER AFFIDAVIT IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT REFERRED TO HEREIN.

NEITHER THIS CERTIFICATE NOR ANY INTEREST HEREIN MAY BE TRANSFERRED UNLESS THE TRANSFEREE DELIVERS TO THE TRUSTEE EITHER (A) A REPRESENTATION LETTER TO THE EFFECT THAT (i) SUCH TRANSFEREE IS NOT AN EMPLOYEE BENEFIT PLAN SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE CODE, OR A PERSON ACTING ON BEHALF OF OR INVESTING THE ASSETS OF SUCH A BENEFIT PLAN OR ARRANGEMENT TO EFFECT THE TRANSFER, OR (ii) IF SUCH CERTIFICATE HAS BEEN THE SUBJECT OF AN ERISA-QUALIFYING UNDERWRITING AND THE TRANSFEREE IS AN INSURANCE COMPANY, A REPRESENTATION THAT THE TRANSFEREE IS PURCHASING SUCH CERTIFICATE WITH FUNDS CONTAINED IN AN "INSURANCE COMPANY GENERAL ACCOUNT" AS SUCH TERM IS DEFINED IN SECTION V(e) OF PROHIBITED TRANSACTION CLASS EXEMPTION ("PTCE") 95-60, AND THE PURCHASE AND HOLDING OF THE CERTIFICATE SATISFY THE REQUIREMENTS FOR EXEMPTIVE RELIEF UNDER SECTIONS I AND III OF PTCE 95-60, OR (B) AN OPINION OF COUNSEL IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT REFERRED TO HEREIN. NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY HEREIN, ANY PURPORTED TRANSFER OF THIS CERTIFICATE TO OR ON BEHALF OF AN EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR A PLAN OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE CODE WITHOUT THE OPINION OF COUNSEL SATISFACTORY TO THE TRUSTEE AS DESCRIBED ABOVE SHALL BE VOID AND OF NO EFFECT.

[THIS CERTIFICATE REPRESENTS THE "TAX MATTERS PERSON RESIDUAL INTEREST" ISSUED UNDER THE POOLING AND SERVICING AGREEMENT REFERRED TO BELOW AND MAY NOT BE TRANSFERRED TO ANY PERSON EXCEPT IN CONNECTION WITH THE ASSUMPTION BY THE TRANSFEREE OF THE DUTIES OF THE SERVICER UNDER SUCH AGREEMENT.]

Certificate No.	:	
Cut-off Date	:	
First Distribution Date	:	
Initial Certificate Balance of this Certificate ("Denomination")	:	$
Initial Certificate Balance of all Certificates of this Class	:	$
CUSIP	:	
ISIN	:	
Interest Rate	:	
Maturity Date	:	

CWALT, INC.
Mortgage Pass-Through Certificates, Series 200____-____
Class A-R

evidencing the distributions allocable to the Class A-R Certificates with respect to a Trust Fund consisting primarily of a pool of conventional mortgage loans (the "Mortgage Loans") secured by first liens on one- to four-family residential properties

CWALT, Inc., as Depositor

Principal in respect of this Certificate is distributable monthly as set forth herein. Accordingly, the Certificate Balance at any time may be less than the Certificate Balance as set forth herein. This Certificate does not evidence an obligation of, or an interest in, and is not guaranteed by the Depositor, the Sellers, the Master Servicer or the Trustee referred to below or any of their respective affiliates. Neither this Certificate nor the Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality.

This certifies that _____ is the registered owner of the Percentage Interest (obtained by dividing the Denomination of this Certificate by the aggregate Initial Certificate Balance of all Certificates of the Class to which this Certificate belongs) in certain monthly distributions with respect to a Trust Fund consisting of the Mortgage Loans deposited by CWALT, Inc. (the "Depositor"). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as of the Cut-off Date specified above (the "Agreement") among the Depositor, Countrywide Home Loans, Inc., as a seller ("CHL"), Park Granada LLC, as a seller ("Park Granada"), Park Monaco, Inc., as a seller ("Park Monaco"), and Park Sienna LLC, as a seller ("Park Sienna" and, together with CHL, Park Granada and Park Monaco, the "Sellers"), Countrywide Home Loans Servicing LP, as master servicer (the "Master Servicer"), and The Bank of New York, as trustee (the "Trustee"). 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.

Any distribution of the proceeds of any remaining assets of the Trust Fund will be made only upon presentment and surrender of this Class A-R Certificate at the Corporate Trust Office or the office or agency maintained by the Trustee in New York, New York.

No transfer of a Class A-R Certificate shall be made unless the Trustee shall have received either (i) a representation letter from the transferee of such Certificate, acceptable to and in form and substance satisfactory to the Trustee, to the effect that such transferee is not an employee benefit plan subject to Section 406 of ERISA or a plan or arrangement subject to Section 4975 of the Code, or a person acting on behalf of or investing plan assets of any such benefit plan or arrangement, which representation letter shall not be an expense of the Trustee, the Master Servicer or the Trust Fund, (ii) if such certificate has been the subject of an ERISA-Qualifying Underwriting and the transferee is an insurance company, a representation that the transferee is purchasing such Certificate 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 Certificate satisfy the requirements for exemptive relief under Sections I and III of PTCE 95-60, or (iii) in the case of any such 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), a trustee of any such benefit plan or arrangement or any other person acting on behalf of any such benefit plan or arrangement, an Opinion of Counsel satisfactory to the Trustee to the effect that the purchase and holding of such Certificate will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and will not subject the Trustee or the Master Servicer to any obligation in addition to those undertaken in the Agreement, which Opinion of Counsel shall not be an expense of the Trustee, the Master Servicer or the Trust Fund. Notwithstanding anything else to the contrary herein, any purported transfer of a Class A-R Certificate to or on behalf of an employee benefit plan subject to ERISA or a plan or arrangement subject to Section 4975 of the Code without the opinion of counsel satisfactory to the Trustee as described above shall be void and of no effect.

Each Holder of this Class A-R Certificate will be deemed to have agreed to be bound by the restrictions of the Agreement, including but not limited to the restrictions that (i) each person holding or acquiring any Ownership Interest in this Class A-R Certificate must be a Permitted Transferee, (ii) no Ownership Interest in this Class A-R Certificate may be transferred without delivery to the Trustee of (a) a transfer affidavit of the proposed transferee and (b) a transfer certificate of the transferor, each of such documents to be in the form described in the Agreement, (iii) each person holding or acquiring any Ownership Interest in this Class A-R Certificate must agree to require a transfer affidavit and to deliver a transfer certificate to the Trustee as required pursuant to the Agreement, (iv) each person holding or acquiring an Ownership Interest in this Class A-R Certificate must agree not to transfer an Ownership Interest in this Class A-R Certificate if it has actual knowledge that the proposed transferee is not a Permitted Transferee and (v) any attempted or purported transfer of any Ownership Interest in this Class A-R Certificate in violation of such restrictions will be absolutely null and void and will vest no rights in the purported transferee.

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose unless manually countersigned by an authorized signatory of the Trustee.

* * *

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

Dated: _____, 20__.

THE BANK OF NEW YORK,
as Trustee

By _____

Countersigned:

By _____
Authorized Signatory of
THE BANK OF NEW YORK,
as Trustee

EXHIBIT C-2

[FORM OF CLASS X-P CERTIFICATE]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER 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.

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS 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").

Certificate No.	:	
Cut-off Date	:	
First Distribution Date	:	
Initial Certificate Balance of this Certificate ("Denomination")	:	$
Initial Certificate Balance of all Certificates of this Class	:	$
CUSIP	:	
ISIN	:	
Interest Rate	:	
Last Distribution Date	:	

CWALT, INC.
Alternative Loan Trust 20__-__
Mortgage Pass-Through Certificates, Series __-__
Class X-P

evidencing a percentage interest in the distributions allocable to the Certificates of the above-referenced Class with respect to a Trust Fund consisting primarily of a pool of conventional mortgage loans (the "Mortgage Loans") secured by first liens on one- to four-family residential properties

CWALT, Inc., as Depositor

Principal in respect of this Certificate is distributable monthly as set forth herein. Accordingly, the Certificate Balance at any time may be less than the Certificate Balance as set forth herein. This Certificate does not evidence an obligation of, or an interest in, and is not guaranteed by the Depositor, the Sellers, the Master Servicer or the Trustee referred to below or any of their respective affiliates. Neither this Certificate nor the Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality.

This certifies that CEDE & CO. is the registered owner of the Percentage Interest evidenced by this Certificate (obtained by dividing the denomination of this Certificate by the aggregate Initial Certificate Balance of all Certificates of the Class to which this Certificate belongs) in certain monthly

distributions with respect to a Trust Fund consisting primarily of the Mortgage Loans deposited by CWALT, Inc. (the "Depositor"). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as of the Cut-off Date specified above (the "Agreement") among the Depositor, Countrywide Home Loans, Inc., as a seller (a "Seller"), Park Granada LLC, as a seller (a "Seller"), Park Monaco Inc., as a seller (a "Seller"), Park Sienna LLC, as a seller (a "Seller"), Countrywide Home Loans Servicing LP, as master servicer (the "Master Servicer") and The Bank of New York, as trustee (the "Trustee"). 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.

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose unless manually countersigned by an authorized signatory of the Trustee.

* * *

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

Dated:

THE BANK OF NEW YORK,
as Trustee

By _____

Countersigned:

By _____
Authorized Signatory of
THE BANK OF NEW YORK,
as Trustee

EXHIBIT D

[FORM OF NOTIONAL AMOUNT CERTIFICATE]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER 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 HAS NO PRINCIPAL BALANCE AND IS NOT ENTITLED TO ANY DISTRIBUTION IN RESPECT OF PRINCIPAL.

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS 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").

[UNTIL THIS CERTIFICATE HAS BEEN THE SUBJECT OF AN ERISA-QUALIFYING UNDERWRITING, NEITHER THIS CERTIFICATE NOR ANY INTEREST HEREIN MAY BE TRANSFERRED UNLESS THE TRANSFEREE DELIVERS TO THE TRUSTEE EITHER (A) A REPRESENTATION LETTER TO THE EFFECT THAT SUCH TRANSFEREE IS NOT, AND IS NOT INVESTING ASSETS OF, AN EMPLOYEE BENEFIT PLAN SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR A PLAN OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE CODE, OR (B) AN OPINION OF COUNSEL IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT REFERRED TO HEREIN. SUCH REPRESENTATION SHALL BE DEEMED TO HAVE BEEN MADE TO THE TRUSTEE BY THE TRANSFEREE'S ACCEPTANCE OF A CERTIFICATE OF THIS CLASS AND BY A BENEFICIAL OWNER'S ACCEPTANCE OF ITS INTEREST IN A CERTIFICATE OF THIS CLASS. NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY HEREIN, UNTIL THIS CERTIFICATE HAS BEEN THE SUBJECT OF AN ERISA-QUALIFYING UNDERWRITING, ANY PURPORTED TRANSFER OF THIS CERTIFICATE TO, OR A PERSON INVESTING ASSETS OF, AN EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR A PLAN OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE CODE WITHOUT THE OPINION OF COUNSEL SATISFACTORY TO THE TRUSTEE AS DESCRIBED ABOVE SHALL BE VOID AND OF NO EFFECT.]

Certificate No.	:	
Cut-off Date	:	
First Distribution Date	:	
Initial Notional Amount of this Certificate ("Denomination")	:	$
Initial Notional Amount of all Certificates of this Class	:	$
CUSIP	:	
Interest Rate	:	Interest Only
Maturity Date	:	

CWALT, INC.
Mortgage Pass-Through Certificates, Series 200____-____
Class [ ]

evidencing a percentage interest in the distributions allocable to the Certificates of the above-referenced Class with respect to a Trust Fund consisting primarily of a pool of conventional mortgage loans (the "Mortgage Loans") secured by first liens on one- to four-family residential properties

CWALT, Inc., as Depositor

The Notional Amount of this certificate at any time, may be less than the Notional Amount as set forth herein. This Certificate does not evidence an obligation of, or an interest in, and is not guaranteed by the Depositor, the Sellers, the Master Servicer or the Trustee referred to below or any of their respective affiliates. Neither this Certificate nor the Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality.

This certifies that _____ is the registered owner of the Percentage Interest evidenced by this Certificate (obtained by dividing the denomination of this Certificate by the aggregate Initial Notional Amount of all Certificates of the Class to which this Certificate belongs) in certain monthly distributions with respect to a Trust Fund consisting primarily of the Mortgage Loans deposited by CWALT, Inc. (the "Depositor"). The Trust Fund was created

pursuant to a Pooling and Servicing Agreement dated as of the Cut-off Date specified above (the "Agreement") among the Depositor, Countrywide Home Loans, Inc., as a seller ("CHL"), Park Granada LLC, as a seller ("Park Granada"), Park Monaco, Inc., as a seller ("Park Monaco"), and Park Sienna LLC, as a seller ("Park Sienna" and, together with CHL, Park Granada and Park Monaco, the "Sellers"), Countrywide Home Loans Servicing LP, as master servicer (the "Master Servicer"), and The Bank of New York, as trustee (the "Trustee"). 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.

[Until this certificate has been the subject of an ERISA-Qualifying Underwriting, no transfer of a Certificate of this Class shall be made unless the Trustee shall have received either (i) a representation letter from the transferee of such Certificate, acceptable to and in form and substance satisfactory to the Trustee, to the effect that such transferee is not an employee benefit plan subject to Section 406 of ERISA or a plan or arrangement subject to Section 4975 of the Code, or a person acting on behalf of or investing plan assets of any such benefit plan or arrangement, which representation letter shall not be an expense of the Trustee, the Master Servicer or the Trust Fund, or (ii) in the case of any such 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), a trustee of any such benefit plan or arrangement or any other person acting on behalf of any such benefit plan or arrangement, an Opinion of Counsel satisfactory to the Trustee to the effect that the purchase and holding of such Certificate will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and will not subject the Trustee or the Master Servicer to any obligation in addition to those undertaken in the Agreement, which Opinion of Counsel shall not be an expense of the Trustee, the Master Servicer or the Trust Fund. When the transferee delivers the Opinion of Counsel described above, such representation shall be deemed to have been made to the Trustee by the Transferee's acceptance of a Certificate of this Class and by a beneficial owner's acceptance of its interest in a Certificate of this Class. Notwithstanding anything else to the contrary herein, until such certificate has been the subject of an ERISA-Qualifying Underwriting, any purported transfer of a Certificate of this Class to, or a person investing assets of, an employee benefit plan subject to ERISA or a plan or arrangement subject to Section 4975 of the Code without the opinion of counsel satisfactory to the Trustee as described above shall be void and of no effect.]

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose unless manually countersigned by an authorized signatory of the Trustee.

* * *

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

Dated: _____, 20__

THE BANK OF NEW YORK,
as Trustee

By _____

Countersigned:

By _____
Authorized Signatory of
THE BANK OF NEW YORK,
as Trustee

EXHIBIT E

[FORM OF] REVERSE OF CERTIFICATES

CWALT, INC.
Mortgage Pass-Through Certificates

This Certificate is one of a duly authorized issue of Certificates designated as CWALT, Inc. Mortgage Pass-Through Certificates, of the Series specified on the face hereof (herein collectively called the "Certificates"), and representing a beneficial ownership interest in the Trust Fund created by the Agreement.

The Certificateholder, by its acceptance of this Certificate, agrees that it will look solely to the funds on deposit in the Distribution Account for payment hereunder and that the Trustee is not liable to the Certificateholders for any amount payable under this Certificate or the Agreement or, except as expressly provided in the Agreement, subject to any liability under the Agreement.

This Certificate does not purport to summarize the Agreement and reference is made to the Agreement for the interests, rights and limitations of rights, benefits, obligations and duties evidenced thereby, and the rights, duties and immunities of the Trustee.

Pursuant to the terms of the Agreement, a distribution will be made on the 20th day of each month or, if such day is not a Business Day, the Business Day immediately following (the "Distribution Date"), commencing on the first Distribution Date specified on the face hereof, to the Person in whose name this Certificate is registered at the close of business on the applicable Record Date in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount required to be distributed to Holders of Certificates of the Class to which this Certificate belongs on such Distribution Date pursuant to the Agreement. The Record Date applicable to each Distribution Date is the last Business Day of the month next preceding the month of such Distribution Date.

Distributions on this Certificate shall be made by wire transfer of immediately available funds to the account of the Holder hereof at a bank or other entity having appropriate facilities therefor, if such Certificateholder shall have so notified the Trustee in writing at least five Business Days prior to the related Record Date and such Certificateholder shall satisfy the conditions to receive such form of payment set forth in the Agreement, or, if not, by check mailed by first class mail to the address of such Certificateholder appearing in the Certificate Register. The final distribution on each Certificate will be made in like manner, but only upon presentment and surrender of such Certificate at the Corporate Trust Office or such other location specified in the notice to Certificateholders of such final distribution.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Master Servicer and the

Trustee with the consent of the Holders of Certificates affected by such amendment evidencing the requisite Percentage Interest, as provided 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 therefor 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 of the Trustee upon surrender of this Certificate for registration of transfer at the Corporate Trust Office or the office or agency maintained by the Trustee in New York, New York, accompanied by a 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 and evidencing the same aggregate Percentage Interest in the Trust Fund will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in denominations 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 and 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, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Depositor, the Master Servicer, the Sellers and the Trustee and any agent of the Depositor or the Trustee may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Depositor, the Trustee, nor any such agent shall be affected by any notice to the contrary.

On any Distribution Date on which the Pool Stated Principal Balance is less than or equal to 10% of the Cut-off Date Pool Principal Balance, the Master Servicer will have the option, subject to the limitations set forth in the Agreement, to repurchase, in whole, from the Trust Fund all remaining Mortgage Loans and all property acquired in respect of the Mortgage Loans at a purchase price determined as provided in the Agreement. In the event that no such optional termination occurs, the obligations and responsibilities created by the Agreement will terminate upon the later of the maturity or other liquidation (or any advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund or the disposition of all property in respect thereof and the distribution to Certificateholders of all amounts required to be distributed pursuant to the Agreement. In no event, however, will the trust created by the Agreement continue beyond the

expiration of 21 years from the death of the last survivor of the descendants living at the date of the Agreement of a certain person named in the Agreement.

Any term used herein that is defined in the Agreement shall have the meaning assigned in the Agreement, and nothing herein shall be deemed inconsistent with that meaning.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto _____

_____

_____

(Please print or typewrite name and address including postal zip code of assignee)

the Percentage Interest evidenced by the within Certificate and hereby authorizes the transfer of registration of such Percentage Interest to assignee on the Certificate Register of the Trust Fund.

I (We) further direct the Trustee to issue a new Certificate of a like denomination and Class, to the above named assignee and deliver such Certificate to the following address:

_____

Dated:

_____

Signature by or on behalf of assignor

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.

STATE OF)
) ss.:
COUNTY OF)

On the _____day of _____, 20__ before me, a notary public in and for said State, personally appeared _____, known to me who, being by me duly sworn, did depose and say that he executed the foregoing instrument.

_____
Notary Public

[Notarial Seal]

EXHIBIT F-1

[FORM OF] INITIAL CERTIFICATION OF TRUSTEE
(INITIAL MORTGAGE LOANS)

[date]

[Depositor]

[Master Servicer]

[Countrywide]

_____
_____

Re: Pooling and Servicing Agreement among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc. ("Countrywide"), as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer, and The Bank of New York, as Trustee, Mortgage Pass-Through Certificates, Series 200_-_

Gentlemen:

In accordance with Section 2.02 of the above-captioned Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), the undersigned, as Trustee, hereby certifies that, as to each Initial Mortgage Loan listed in the Mortgage Loan Schedule (other than any Initial Mortgage Loan paid in full or listed on the attached schedule) it has received:

(i) (a) the original Mortgage Note endorsed in the following form: "Pay to the order of _____, without recourse" or (b) with respect to any Lost Mortgage Note, a lost note affidavit from Countrywide stating that the original Mortgage Note was lost or destroyed; and

(ii) a duly executed assignment of the Mortgage (which may be included in a blanket assignment or assignments).

Based on its review and examination and only as to the foregoing documents, such documents appear regular on their face and related to such Mortgage Loan.

The Trustee has made no independent examination of any documents contained in each Mortgage File beyond the review specifically required in the Pooling and Servicing Agreement. The Trustee makes no representations as to: (i) the validity, legality, sufficiency, enforceability or genuineness of any of the documents contained in each Mortgage File of any of the Initial

Mortgage Loans identified on the Mortgage Loan Schedule, or (ii) the collectability, insurability, effectiveness or suitability of any such Initial Mortgage Loan.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the Pooling and Servicing Agreement.

THE BANK OF NEW YORK,
as Trustee

By:_____
Name:
Title:

EXHIBIT F-2

[FORM OF] INITIAL CERTIFICATION OF TRUSTEE
(SUPPLEMENTAL MORTGAGE LOANS)

[date]

[Depositor]

[Master Servicer]

[Countrywide]

_____
_____

Re: Pooling and Servicing Agreement among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc., as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer, and The Bank of New York, as Trustee, Mortgage Pass-Through Certificates, Series 20__-__ and the Supplemental Transfer Agreement dated as of [month] ____, 200_ among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc., as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, and The Bank of New York, as Trustee

_____

Gentlemen:

In accordance with Section 2.02 of the above-captioned Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") and the Supplemental Transfer Agreement, dated as of [month] ____, 200_, the undersigned, as Trustee, hereby certifies that, as to each Supplemental Mortgage Loan listed in the Mortgage Loan Schedule (other than any Supplemental Mortgage Loan paid in full or listed on the attached schedule) it has received:

(i) (a) the original Mortgage Note endorsed in the following form: "Pay to the order of _____, without recourse" or (b) with respect to any Lost Mortgage Note, a lost note affidavit from the Seller stating that the original Mortgage Note was lost or destroyed; and

(ii) a duly executed assignment of the Mortgage (which may be included in a blanket assignment or assignments)

Based on its review and examination and only as to the foregoing documents, such documents appear regular on their face and related to such Mortgage Loan.

The Trustee has made no independent examination of any documents contained in each Mortgage File beyond the review specifically required in the Pooling and Servicing Agreement. The Trustee makes no representations as to: (i) the validity, legality, sufficiency, enforceability or genuineness of any of the documents contained in each Mortgage File of any of the Supplemental Mortgage Loans identified on the Mortgage Loan Schedule, or (ii) the collectability, insurability, effectiveness or suitability of any such Supplemental Mortgage Loan.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the Pooling and Servicing Agreement.

THE BANK OF NEW YORK,
as Trustee

By:_____
Name:
Title:

EXHIBIT G-1

[FORM OF] DELAY DELIVERY CERTIFICATION
(INITIAL MORTGAGE LOANS)

[date]

[Depositor]

[Master Servicer]

[Countrywide]

_____

_____

Re: Pooling and Servicing Agreement among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc. ("Countrywide"), as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer, and The Bank of New York, as Trustee, Mortgage Pass-Through Certificates, Series 200_-_

Gentlemen:

Reference is made to the Initial Certification of Trustee relating to the above-referenced series, with the schedule of exceptions attached thereto (the "Schedule A"), delivered by the undersigned, as Trustee, on the Closing Date in accordance with Section 2.02 of the above-captioned Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"). The undersigned hereby certifies that, as to each Delay Delivery Initial Mortgage Loan listed on Schedule A attached hereto (other than any Initial Mortgage Loan paid in full or listed on Schedule B attached hereto) it has received:

(i) the original Mortgage Note, endorsed by Countrywide or the originator of such Mortgage Loan, without recourse in the following form: "Pay to the order of _____ without recourse", with all intervening endorsements that show a complete chain of endorsement from the originator to Countrywide, or, if the original Mortgage Note has been lost or destroyed and not replaced, an original lost note affidavit from Countrywide, stating that the original Mortgage Note was lost or destroyed, together with a copy of the related Mortgage Note;

(ii) in the case of each Initial Mortgage Loan that is not a MERS Mortgage Loan, the original recorded Mortgage, [and in the case of each Initial Mortgage Loan that is a MERS Mortgage Loan, the original Mortgage, noting thereon the presence of the MIN of the Initial Mortgage Loan and language indicating that the Initial Mortgage Loan is a MOM Loan if the Initial Mortgage Loan is a MOM Loan, with evidence of recording indicated thereon, or a copy of the Mortgage certified by the public recording office in which such Mortgage has been recorded];

(iii) in the case of each Initial Mortgage Loan that is not a MERS Mortgage Loan, a duly executed assignment of the Mortgage to "The Bank of New York, as trustee under the Pooling and Servicing Agreement dated as of [month] 1, 200[_], without recourse", or, in the case of each Initial Mortgage Loan with respect to property located in the State of California that is not a MERS Mortgage Loan, a duly executed assignment of the Mortgage in blank (each such assignment, when duly and validly completed, to be in recordable form and sufficient to effect the assignment of and transfer to the assignee thereof, under the Mortgage to which such assignment relates);

(iv) the original recorded assignment or assignments of the Mortgage together with all interim recorded assignments of such Mortgage [(noting the presence of a MIN in the case of each MERS Mortgage Loan)];

(v) the original or copies of each assumption, modification, written assurance or substitution agreement, if any, with evidence of recording thereon if recordation thereof is permissible under applicable law; and

(vi) the original or duplicate original lender's title policy or a printout of the electronic equivalent and all riders thereto or, in the event such original title policy has not been received from the insurer, any one of an original title binder, an original preliminary title report or an original title commitment, or a copy thereof certified by the title company, with the original policy of title insurance to be delivered within one year of the Closing Date.

In the event that in connection with any Mortgage Loan that is not a MERS Mortgage Loan Countrywide cannot deliver the original recorded Mortgage or all interim recorded assignments of the Mortgage satisfying the requirements of clause (ii), (iii) or (iv), as applicable, the Trustee has received, in lieu thereof, a true and complete copy of such Mortgage and/or such assignment or assignments of the Mortgage, as applicable, each certified by Countrywide, the applicable title company, escrow agent or attorney, or the originator of such Initial Mortgage Loan, as the case may be, to be a true and complete copy of the original Mortgage or assignment of Mortgage submitted for recording

Based on its review and examination and only as to the foregoing documents, (i) such documents appear regular on their face and related to such Initial Mortgage Loan, and (ii) the information set forth in items (i), (iv), (v), (vi), (viii), (xi) and (xiv) of the definition of the "Mortgage Loan Schedule" in Article I of the Pooling and Servicing Agreement accurately reflects information set forth in the Mortgage File.

The Trustee has made no independent examination of any documents contained in each Mortgage File beyond the review specifically required in the above-referenced Pooling and Servicing Agreement. The Trustee makes no representations as to: (i) the validity, legality, sufficiency, enforceability or genuineness of any of the documents contained in each Mortgage File of any of the Initial Mortgage Loans identified on the [Mortgage Loan Schedule][Loan Number and Borrower Identification Mortgage Loan Schedule] or (ii) the collectibility, insurability, effectiveness or suitability of any such Mortgage Loan.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the Pooling and Servicing Agreement.

THE BANK OF NEW YORK,
as Trustee

By:_____
Name:
Title:

EXHIBIT G-2

[FORM OF] DELAY DELIVERY CERTIFICATION
(SUPPLEMENTAL MORTGAGE LOANS)

[date]

[Depositor]

[Master Servicer]

[Countrywide]

Re: Pooling and Servicing Agreement among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc., as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer, and The Bank of New York, as Trustee, Mortgage Pass-Through Certificates, Series 20__-__ and the Supplemental Transfer Agreement dated as of [month] ____, 200_ among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc., as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, and The Bank of New York, as Trustee

Gentlemen:

Reference is made to the Initial Certification of Trustee relating to the above-referenced series, with the schedule of exceptions attached thereto (the "Schedule A"), delivered by the undersigned, as Trustee, on [month] __, 200_ (such date being the related "Supplemental Transfer Date" in accordance with Section 2.02 of the above-captioned Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"). The undersigned hereby certifies that, as to each Delay Delivery Supplemental Mortgage Loan listed on Schedule A attached hereto (other than any Supplemental Mortgage Loan paid in full or listed on Schedule B attached hereto) it has received:

(i) the original Mortgage Note, endorsed by the Seller or the originator of such Mortgage Loan, without recourse in the following form: "Pay to the order of _____ without recourse", with all intervening endorsements that show a complete chain of endorsement from the originator to the Seller, or, if the

original Mortgage Note has been lost or destroyed and not replaced, an original lost note affidavit from the Seller, stating that the original Mortgage Note was lost or destroyed, together with a copy of the related Mortgage Note;

(ii) in the case of each Supplemental Mortgage Loan that is not a MERS Mortgage Loan, the original recorded Mortgage, [and in the case of each Supplemental Mortgage Loan that is a MERS Mortgage Loan, the original Mortgage, noting thereon the presence of the MIN of the Supplemental Mortgage Loan and language indicating that the Supplemental Mortgage Loan is a MOM Loan if the Supplemental Mortgage Loan is a MOM Loan, with evidence of recording indicated thereon, or a copy of the Mortgage certified by the public recording office in which such Mortgage has been recorded];

(iii) in the case of each Supplemental Mortgage Loan that is not a MERS Mortgage Loan, a duly executed assignment of the Mortgage to "The Bank of New York, as trustee under the Pooling and Servicing Agreement dated as of [month] 1, 2004, without recourse", or, in the case of each Supplemental Mortgage Loan with respect to property located in the State of California that is not a MERS Mortgage Loan, a duly executed assignment of the Mortgage in blank (each such assignment, when duly and validly completed, to be in recordable form and sufficient to effect the assignment of and transfer to the assignee thereof, under the Mortgage to which such assignment relates);

(iv) the original recorded assignment or assignments of the Mortgage together with all interim recorded assignments of such Mortgage [(noting the presence of a MIN in the case of each MERS Mortgage Loan)];

(v) the original or copies of each assumption, modification, written assurance or substitution agreement, if any, with evidence of recording thereon if recordation thereof is permissible under applicable law; and

(vi) the original or duplicate original lender's title policy or a printout of the electronic equivalent and all riders thereto or, in the event such original title policy has not been received from the insurer, any one of an original title binder, an original preliminary title report or an original title commitment, or a copy thereof certified by the title company, with the original policy of title insurance to be delivered within one year of the Closing Date.

In the event that in connection with any Mortgage Loan that is not a MERS Mortgage Loan the Seller cannot deliver the original recorded Mortgage or all interim recorded assignments of the Mortgage satisfying the requirements of clause (ii), (iii) or (iv), as applicable, the Trustee has received, in lieu thereof, a true and complete copy of such Mortgage and/or such assignment or assignments of the Mortgage, as applicable, each certified by the Seller, the applicable title company, escrow agent or attorney, or the originator of such Supplemental

Mortgage Loan, as the case may be, to be a true and complete copy of the original Mortgage or assignment of Mortgage submitted for recording.

Based on its review and examination and only as to the foregoing documents, (i) such documents appear regular on their face and related to such Supplemental Mortgage Loan, and (ii) the information set forth in items (i), (iv), (v), (vi), (viii), (xi) and (xiv) of the definition of the "Mortgage Loan Schedule" in Section 1.01 of the Pooling and Servicing Agreement accurately reflects information set forth in the Mortgage File.

The Trustee has made no independent examination of any documents contained in each Mortgage File beyond the review specifically required in the above-referenced Pooling and Servicing Agreement. The Trustee makes no representations as to: (i) the validity, legality, sufficiency, enforceability or genuineness of any of the documents contained in each Mortgage File of any of the Supplemental Mortgage Loans identified on the [Mortgage Loan Schedule][Loan Number and Borrower Identification Mortgage Loan Schedule] or (ii) the collectibility, insurability, effectiveness or suitability of any such Mortgage Loan.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the Pooling and Servicing Agreement.

THE BANK OF NEW YORK,
as Trustee

By:_____
Name:
Title:

EXHIBIT H-1

[FORM OF] FINAL CERTIFICATION OF TRUSTEE
(INITIAL MORTGAGE LOANS)

[date]

[Depositor]

[Master Servicer]

[Countrywide]

_____

_____

Re: Pooling and Servicing Agreement among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc. ("Countrywide"), as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer, and The Bank of New York, as Trustee, Mortgage Pass-Through Certificates, Series 200_-_

Gentlemen:

In accordance with Section 2.02 of the above-captioned Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), the undersigned, as Trustee, hereby certifies that as to each Initial Mortgage Loan listed in the Mortgage Loan Schedule (other than any Initial Mortgage Loan paid in full or listed on the attached Document Exception Report) it has received:

(i) the original Mortgage Note, endorsed by Countrywide or the originator of such Mortgage Loan, without recourse in the following form: "Pay to the order of _____ without recourse", with all intervening endorsements that show a complete chain of endorsement from the originator to Countrywide, or, if the original Mortgage Note has been lost or destroyed and not replaced, an original lost note affidavit from Countrywide, stating that the original Mortgage Note was lost or destroyed, together with a copy of the related Mortgage Note;

(ii) in the case of each Initial Mortgage Loan that is not a MERS Mortgage Loan, the original recorded Mortgage, [and in the case of each Initial Mortgage Loan that is

(iii) a MERS Mortgage Loan, the original Mortgage, noting thereon the presence of the MIN of the Mortgage Loan and language indicating that the Mortgage Loan is a MOM Loan if the Mortgage Loan is a MOM Loan, with evidence of recording indicated thereon, or a copy of the Mortgage certified by the public recording office in which such Mortgage has been recorded];

(iv) in the case of each Initial Mortgage Loan that is not a MERS Mortgage Loan, a duly executed assignment of the Mortgage to "The Bank of New York, as trustee under the Pooling and Servicing Agreement dated as of [month] 1, 200[_], without recourse", or, in the case of each Initial Mortgage Loan with respect to property located in the State of California that is not a MERS Mortgage Loan, a duly executed assignment of the Mortgage in blank (each such assignment, when duly and validly completed, to be in recordable form and sufficient to effect the assignment of and transfer to the assignee thereof, under the Mortgage to which such assignment relates);

(v) the original recorded assignment or assignments of the Mortgage together with all interim recorded assignments of such Mortgage [(noting the presence of a MIN in the case of each Initial Mortgage Loan that is a MERS Mortgage Loan)];

(vi) the original or copies of each assumption, modification, written assurance or substitution agreement, if any, with evidence of recording thereon if recordation thereof is permissible under applicable law; and

(vii) the original or duplicate original lender's title policy or a printout of the electronic equivalent and all riders thereto or, in the event such original title policy has not been received from the insurer, any one of an original title binder, an original preliminary title report or an original title commitment, or a copy thereof certified by the title company, with the original policy of title insurance to be delivered within one year of the Closing Date.

In the event that in connection with any Initial Mortgage Loan that is not a MERS Mortgage Loan Countrywide cannot deliver the original recorded Mortgage or all interim recorded assignments of the Mortgage satisfying the requirements of clause (ii), (iii) or (iv), as applicable, the Trustee has received, in lieu thereof, a true and complete copy of such Mortgage and/or such assignment or assignments of the Mortgage, as applicable, each certified by Countrywide, the applicable title company, escrow agent or attorney, or the originator of such Initial Mortgage Loan, as the case may be, to be a true and complete copy of the original Mortgage or assignment of Mortgage submitted for recording.

Based on its review and examination and only as to the foregoing documents, (i) such documents appear regular on their face and related to such Initial Mortgage Loan, and (ii) the information set forth in items (i), (iv), (v), (vi), (viii), (xi) and (xiv) of the definition of the "Mortgage Loan Schedule" in Article I of the Pooling and Servicing Agreement accurately reflects information set forth in the Mortgage File.

The Trustee has made no independent examination of any documents contained in each Mortgage File beyond the review specifically required in the above-referenced Pooling and Servicing Agreement. The Trustee makes no representations as to: (i) the validity, legality, sufficiency, enforceability or genuineness of any of the documents contained in each Mortgage File of any of the Initial Mortgage Loans identified on the [Mortgage Loan Schedule][Loan Number and Borrower Identification Mortgage Loan Schedule] or (ii) the collectibility, insurability, effectiveness or suitability of any such Initial Mortgage Loan.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the Pooling and Servicing Agreement.

THE BANK OF NEW YORK,
as Trustee

By :_____
Name:
Title:

EXHIBIT H-2

[FORM OF] FINAL CERTIFICATION OF TRUSTEE
(SUPPLEMENTAL MORTGAGE LOANS)

[date]

[Depositor]

[Master Servicer]

[Countrywide]

_____

_____

Re: Pooling and Servicing Agreement among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc., as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer, and The Bank of New York, as Trustee, Mortgage Pass-Through Certificates, Series 20__-__ and the Supplemental Transfer Agreement dated as of [month] ____, 200_ among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc., as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, and The Bank of New York, as Trustee

_____

Gentlemen:

In accordance with Section 2.02 of the above-captioned Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), the undersigned, as Trustee, hereby certifies that as to each Supplemental Mortgage Loan listed in the Mortgage Loan Schedule (other than any Supplemental Mortgage Loan paid in full or listed on the attached Document Exception Report) it has received:

(i) the original Mortgage Note, endorsed by the Seller or the originator of such Mortgage Loan, without recourse in the following form: "Pay to the order of _____ without recourse", with all intervening endorsements that show a complete chain of endorsement from the originator to the Seller, or, if the original Mortgage Note has been lost or destroyed and not replaced, an original

lost note affidavit from the Seller, stating that the original Mortgage Note was lost or destroyed, together with a copy of the related Mortgage Note;

(ii) in the case of each Supplemental Mortgage Loan that is not a MERS Mortgage Loan, the original recorded Mortgage, [and in the case of each Supplemental Mortgage Loan that is a MERS Mortgage Loan, the original Mortgage, noting thereon the presence of the MIN of the Mortgage Loan and language indicating that the Mortgage Loan is a MOM Loan if the Mortgage Loan is a MOM Loan, with evidence of recording indicated thereon, or a copy of the Mortgage certified by the public recording office in which such Mortgage has been recorded];

(iii) in the case of each Supplemental Mortgage Loan that is not a MERS Mortgage Loan, a duly executed assignment of the Mortgage to "The Bank of New York, as trustee under the Pooling and Servicing Agreement dated as of [month] 1, 2004, without recourse", or, in the case of each Supplemental Mortgage Loan with respect to property located in the State of California that is not a MERS Mortgage Loan, a duly executed assignment of the Mortgage in blank (each such assignment, when duly and validly completed, to be in recordable form and sufficient to effect the assignment of and transfer to the assignee thereof, under the Mortgage to which such assignment relates);

(iv) the original recorded assignment or assignments of the Mortgage together with all interim recorded assignments of such Mortgage [(noting the presence of a MIN in the case of each Supplemental Mortgage Loan that is a MERS Mortgage Loan)];

(v) the original or copies of each assumption, modification, written assurance or substitution agreement, if any, with evidence of recording thereon if recordation thereof is permissible under applicable law; and

(vi) the original or duplicate original lender's title policy or a printout of the electronic equivalent and all riders thereto or, in the event such original title policy has not been received from the insurer, any one of an original title binder, an original preliminary title report or an original title commitment, or a copy thereof certified by the title company, with the original policy of title insurance to be delivered within one year of the Closing Date.

In the event that in connection with any Supplemental Mortgage Loan that is not a MERS Mortgage Loan the Seller cannot deliver the original recorded Mortgage or all interim recorded assignments of the Mortgage satisfying the requirements of clause (ii), (iii) or (iv), as applicable, the Trustee has received, in lieu thereof, a true and complete copy of such Mortgage and/or such assignment or assignments of the Mortgage, as applicable, each certified by the Seller, the applicable title company, escrow agent or attorney, or the originator of such Supplemental Mortgage Loan, as the case may be, to be a true and complete copy of the original Mortgage or assignment of Mortgage submitted for recording.

Based on its review and examination and only as to the foregoing documents, (i) such documents appear regular on their face and related to such Supplemental Mortgage Loan, and (ii) the information set forth in items (i), (iv), (v), (vi), (viii), (xi) and (xiv) of the definition of the "Mortgage Loan Schedule" in Section 1.01 of the Pooling and Servicing Agreement accurately reflects information set forth in the Mortgage File.

The Trustee has made no independent examination of any documents contained in each Mortgage File beyond the review specifically required in the above-referenced Pooling and Servicing Agreement. The Trustee makes no representations as to: (i) the validity, legality, sufficiency, enforceability or genuineness of any of the documents contained in each Mortgage File of any of the Supplemental Mortgage Loans identified on the [Mortgage Loan Schedule][Loan Number and Borrower Identification Mortgage Loan Schedule] or (ii) the collectibility, insurability, effectiveness or suitability of any such Supplemental Mortgage Loan.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the Pooling and Servicing Agreement.

THE BANK OF NEW YORK,
as Trustee

By :_____
Name:
Title:

EXHIBIT I

[FORM OF] TRANSFER AFFIDAVIT

CWALT, Inc.
Mortgage Pass-Through Certificates
Series 200_-_

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 a Class A-R Certificate (the "Certificate") issued pursuant to the Pooling and Servicing Agreement, dated as of _____ __, 2___ (the "Agreement"), by and among CWALT, Inc., as depositor (the "Depositor"), Countrywide Home Loans, Inc. (the "Company"), as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller (and together with the Company, Park Granada and Park Monaco, the "Sellers"), Countrywide Home Loans Servicing LP, as Master Servicer and The Bank of New York, as Trustee. Capitalized terms used, but not defined herein or in Exhibit 1 hereto, 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 not an employee benefit plan that is subject to Title I of ERISA or to section 4975 of the Internal Revenue Code of 1986, nor is it acting on behalf of or with plan assets of any such plan. The Transferee is, as of the date hereof, and will be, as of the date of the Transfer, a Permitted Transferee. The Transferee will endeavor to remain a Permitted Transferee for so long as it retains its Ownership Interest in the Certificate. The Transferee is acquiring its Ownership Interest in the Certificate for its own account.

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 not Permitted Transferees; (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 not a Permitted Transferee, 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 a Permitted Transferee 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 not a Permitted Transferee 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 a Permitted Transferee 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(c) of the Agreement (attached hereto as Exhibit 2 and incorporated herein by reference) 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(c) 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 as Exhibit J-1 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 Class A-R Certificates.

8. The Transferee's taxpayer identification number is _____.

9. The Transferee is a U.S. Person as defined in Code section 7701(a)(30) and, unless the Transferor (or any subsequent transferor) expressly waives such requirement, will not cause income from the 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 another U.S. taxpayer.

10. The Transferee is aware that the Class A-R Certificates may be "noneconomic residual interests" within the meaning of Treasury Regulation Section 1.860E-1(c) 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. In addition, as the Holder of a

noneconomic residual interest, the Transferee may incur tax liabilities in excess of any cash flows generated by the interest and the Transferee hereby represents that it intends to pay taxes associated with holding the residual interest as they become due.

11. The Transferee has provided financial statements or other financial information requested by the Transferor in connection with the transfer of the Certificate to permit the Transferor to assess the financial capability of the Transferee to pay such taxes. The Transferee historically has paid its debts as they have come due and intends to pay its debts as they come due in the future.

12. Unless the Transferor (or any subsequent transferor) expressly waives such requirement, the Transferee (and any subsequent transferee) certifies (or will certify), respectively, that the transfer satisfies either the "Asset Test" imposed by Treasury Regulation § 1.860E-1(c)(5) or the "Formula Test" imposed by Treasury Regulation § 1.860E-1(c)(7).

* * *

IN WITNESS WHEREOF, the Transferee has caused this instrument to be executed on its behalf by its duly authorized officer, this_____ day of _____, 2___.

_____
PRINT 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__

WAIVER OF REQUIREMENT THAT TRANSFEREE CERTIFIES TRANSFER OF CERTIFICATE SATISFIES CERTAIN REGULATORY "SAFE HARBORS"

The Transferor hereby waives the requirement that the Transferee certify that the transfer of the Certificate satisfies either the "Asset Test" imposed by Treasury Regulation § 1.860E-1(c)(5) or the "Formula Test" imposed by Treasury Regulation § 1.860E-1(c)(7).

CWALT, INC.

By: _____
Name:
Title:

EXHIBIT 1 to
EXHIBIT I

Certain Definitions

"Asset Test": A transfer satisfies the Asset Test if: (i) At the time of the transfer, and at the close of each of the transferee's two fiscal years preceding the transferee's fiscal year of transfer, the transferee's gross assets for financial reporting purposes exceed $100 million and its net assets for financial reporting purposes exceed $10 million. The gross assets and net assets of a transferee do not include any obligation of any "related person" or any other asset if a principal purpose for holding or acquiring the other asset is to permit the transferee to satisfy such monetary conditions; (ii) The transferee must be an "eligible corporation" and must agree in writing that any subsequent transfer of the interest will be to another eligible corporation in a transaction that satisfies paragraphs 9 through 11 of this Transfer Affidavit and the Asset Test. A transfer fails to meet the Asset Test if the transferor knows, or has reason to know, that the transferee will not honor the restrictions on subsequent transfers of the Certificate; and (iii) A reasonable person would not conclude, based on the facts and circumstances known to the transferor on or before the date of the transfer, that the taxes associated with the Certificate will not be paid. The consideration given to the transferee to acquire the Certificate is only one factor to be considered, but the transferor will be deemed to know that the transferee cannot or will not pay if the amount of consideration is so low compared to the liabilities assumed that a reasonable person would conclude that the taxes associated with holding the Certificate will not be paid. For purposes of applying the Asset Test, (i) an "eligible corporation" means any domestic C corporation (as defined in section 1361(a)(2) of the Code) other than (A) a corporation which is exempt from, or is not subject to, tax under section 11 of the Code, (B) an entity described in section 851(a) or 856(a) of the Code, (C) A REMIC, or (D) an organization to which part I of subchapter T of chapter 1 of subtitle A of the Code applies; (ii) a "related person" is any person that (A) bears a relationship to the transferee enumerated in section 267(b) or 707(b)(1) of the Code, using "20 percent" instead of "50 percent" where it appears under the provisions, or (B) is under common control (within the meaning of section 52(a) and (b)) with the transferee.

"Formula Test": A transfer satisfies the formula test if the present value of the anticipated tax liabilities associated with holding the Certificate does not exceed the sum of (i) the present value of any consideration given to the transferee to acquire the Certificate; (ii) the present value of the expected future distributions on the Certificate; and (iii) the present value of the anticipated tax savings associated with holding the Certificate as the issuing REMIC generates losses. For purposes of applying the Formula Test: (i) The transferee is assumed to pay tax at a rate equal to the highest rate of tax specified in section 11(b)(1) of the Code. If the transferee has been subject to the alternative minimum tax under section 55 of the Code in the preceding two years and will compute its taxable income in the current taxable year using the alternative minimum tax rate, then the tax rate specified in section 55(b)(1)(B) of the Code may be used in lieu of the highest rate specified in section 11(b)(1) of the Code; (ii) The transfer must satisfy paragraph 9 of the Transfer Affidavit; and (iii) Present values are computed using a

discount rate equal to the Federal short-term rate prescribed by section 1274(d) of the Code for the month of the transfer and the compounding period used by the taxpayer.

"Ownership Interest": As to any Certificate, any ownership 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.

"Permitted Transferee": Any person other than (i) the United States, any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing, (ii) a foreign government, International Organization or any agency or instrumentality of either of the foregoing, (iii) an organization (except certain farmers' cooperatives described in section 521 of the Code) that is exempt from tax imposed by Chapter 1 of the Code (including the tax imposed by section 511 of the Code on unrelated business taxable income) on any excess inclusions (as defined in section 860E(c)(1) of the Code) with respect to any Class A-R Certificate, (iv) rural electric and telephone cooperatives described in section 1381(a)(2)(C) of the Code, (v) an "electing large partnership" as defined in section 775 of the Code, (vi) a Person that is not a citizen or resident of the United States, a corporation, partnership, or other entity (treated as a corporation or a partnership for federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, or an estate whose income from sources without the United States is includible in gross income for United States federal income tax purposes regardless of its connection with the conduct of a trade or business within the United States, or 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 trustor unless such Person has furnished the transferor and the Trustee with a duly completed Internal Revenue Service Form W-8ECI, and (vii) any other Person so designated by the Trustee based upon an Opinion of Counsel that the Transfer of an Ownership Interest in a Class A-R Certificate to such Person may cause any REMIC formed under the Agreement to fail to qualify as a REMIC at any time that any Certificates are Outstanding. The terms "United States," "State" and "International Organization" shall have the meanings set forth in section 7701 of the Code or successor provisions. A corporation will not be treated as an instrumentality of the United States or of any State or political subdivision thereof for these purposes if all of its activities are subject to tax and, with the exception of the Federal Home Loan Mortgage Corporation, a majority of its board of directors is not selected by such government unit.

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

"Transfer": Any direct or indirect transfer or sale of any Ownership Interest in a Certificate, including the acquisition of a Certificate by the Depositor.

"Transferee": Any Person who is acquiring by Transfer any Ownership Interest in a Certificate.

EXHIBIT 2 to
EXHIBIT I

Section 5.02(c) of the Agreement

(c) Each Person who has or who acquires any Ownership Interest in a Class A-R Certificate shall be deemed by the acceptance or acquisition of such Ownership Interest to have agreed to be bound by the following provisions, and the rights of each Person acquiring any Ownership Interest in a Class A-R Certificate are expressly subject to the following provisions:

(1) Each Person holding or acquiring any Ownership Interest in a Class A-R Certificate shall be a Permitted Transferee and shall promptly notify the Trustee of any change or impending change in its status as a Permitted Transferee.

(2) Except in connection with (i) the registration of the Tax Matters Person Certificate in the name of the Trustee or (ii) any registration in the name of, or transfer of a Class A-R Certificate to, an affiliate of the Depositor (either directly or through a nominee) in connection with the initial issuance of the Certificates, no Ownership Interest in a Class A-R Certificate may be registered on the Closing Date or thereafter transferred, and the Trustee shall not register the Transfer of any Class A-R Certificate unless, the Trustee shall have been furnished with an affidavit (a "Transfer Affidavit") of the initial owner or the proposed transferee in the form attached hereto as Exhibit I.

(3) Each Person holding or acquiring any Ownership Interest in a Class A-R Certificate shall agree (A) to obtain a Transfer Affidavit from any other Person to whom such Person attempts to Transfer its Ownership Interest in a Class A-R Certificate, (B) to obtain a Transfer Affidavit from any Person for whom such Person is acting as nominee, trustee or agent in connection with any Transfer of a Class A-R Certificate and (C) not to Transfer its Ownership Interest in a Class A-R Certificate, or to cause the Transfer of an Ownership Interest in a Class A-R Certificate to any other Person, if it has actual knowledge that such Person is not a Permitted Transferee.

(4) Any attempted or purported Transfer of any Ownership Interest in a Class A-R Certificate in violation of the provisions of this Section 5.02(c) shall be absolutely null and void and shall vest no rights in the purported Transferee. If any purported transferee shall become a Holder of a Class A-R Certificate in violation of the provisions of this Section 5.02(c), then the last preceding Permitted Transferee shall be restored to all rights as Holder thereof retroactive to the date of registration of Transfer of such Class A-R Certificate. The Trustee shall be under no liability to any Person for any registration of Transfer of a Class A-R Certificate that is in fact not permitted by Section 5.02(b) and this Section 5.02(c) 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 after receipt of the related Transfer Affidavit and Transferor Certificate. The Trustee shall be entitled but not obligated to recover from any Holder of a Class A-R Certificate that was in fact not a Permitted

Transferee at the time it became a Holder or, at such subsequent time as it became other than a Permitted Transferee, all payments made on such Class A-R 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 Permitted Transferee of such Certificate.

(5) The Depositor shall use its best efforts to make available, upon receipt of written request from the Trustee, all information necessary to compute any tax imposed under section 860E(e) of the Code as a result of a Transfer of an Ownership Interest in a Class A-R Certificate to any Holder who is not a Permitted Transferee.

The restrictions on Transfers of a Class A-R Certificate set forth in this section 5.02(c) shall cease to apply (and the applicable portions of the legend on a Class A-R Certificate may be deleted) with respect to Transfers occurring after delivery to the Trustee of an Opinion of Counsel, which Opinion of Counsel shall not be an expense of the Trustee, the Sellers or the Master Servicer, to the effect that the elimination of such restrictions will not cause any constituent REMIC of any REMIC formed hereunder to fail to qualify as a REMIC at any time that the Certificates are outstanding or result in the imposition of any tax on the Trust Fund, a Certificateholder or another Person. Each Person holding or acquiring any ownership Interest in a Class A-R Certificate hereby consents to any amendment of this Agreement that, based on an Opinion of Counsel furnished to the Trustee, is reasonably necessary (a) to ensure that the record ownership of, or any beneficial interest in, a Class A-R Certificate is not transferred, directly or indirectly, to a Person that is not a Permitted Transferee and (b) to provide for a means to compel the Transfer of a Class A-R Certificate that is held by a Person that is not a Permitted Transferee to a Holder that is a Permitted Transferee.

EXHIBIT J-1

[FORM OF] TRANSFEROR CERTIFICATE
(RESIDUAL)

_____
Date

CWALT, Inc.
4500 Park Granada
Calabasas, California 91302
Attention: Josh Adler

The Bank of New York
101 Barclay Street – 8W
New York, New York 10286

Attention: Mortgage-Backed Securities Group
Series 200_-_
Re: CWALT, Inc. Mortgage Pass-Through Certificates,
Series 200_-_, Class _____

Ladies and Gentlemen:

In connection with our disposition of the above Certificates we certify that to the extent we are disposing of a Class A-R Certificate, we have no knowledge the Transferee is not a Permitted Transferee.

Very truly yours,

_____
Print Name of Transferor

By: _____
Authorized Officer

EXHIBIT J-2

[FORM OF] TRANSFEROR CERTIFICATE
(PRIVATE)

_____
Date

CWALT, Inc.
4500 Park Granada
Calabasas, California 91302
Attention: Josh Adler

The Bank of New York
101 Barclay Street – 8W
New York, New York 10286

Attention: Mortgage-Backed Securities Group
Series 200_-_
Re: CWALT, Inc. Mortgage Pass-Through Certificates,
Series 200_-_, Class _____

Ladies and Gentlemen:

In connection with our disposition of the above 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.

Very truly yours,

_____
Print Name of Transferor

By: _____
Authorized Officer

EXHIBIT K

[FORM OF] INVESTMENT LETTER (NON-RULE 144A)

_____
Date

CWALT, Inc.
4500 Park Granada
Calabasas, California 91302
Attention: Josh Adler

The Bank of New York
101 Barclay Street – 8W
New York, New York 10286

Attention: Mortgage-Backed Securities Group
Series 200_-_

Re: CWALT, Inc. Mortgage Pass-Through Certificates,
Series 200_-_, Class _____

Ladies and Gentlemen:

In connection with our acquisition of the above 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) either (i) we are not an employee benefit plan that is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or a plan or arrangement that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended, nor are we acting on behalf of or investing the assets of any such benefit plan or arrangement to effect such acquisition or (ii) if the Certificates have been the subject of an ERISA-Qualifying Underwriting and we are an insurance company, we are 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 the purchase and holding of such Certificates satisfy the requirements for exemptive relief under Sections I and III of PTCE 95-60,

(e) 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), (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, and (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.

Very truly yours,

_____
Print Name of Transferee

By: _____
Authorized Officer

EXHIBIT L-1

[FORM OF] RULE 144A LETTER

_____
Date

CWALT, Inc.
4500 Park Granada
Calabasas, California 91302
Attention: Josh Adler

The Bank of New York
101 Barclay Street – 8W
New York, New York 10286

Attention: Mortgage-Backed Securities Group
Series 200_-_

Re: CWALT, Inc. Mortgage Pass-Through Certificates,
Series 200_-_, Class _____

Ladies and Gentlemen:

In connection with our acquisition of the above 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 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) either (i) we are not an employee benefit plan that is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or a plan or arrangement that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended, nor are we acting on behalf of or investing the assets of any such benefit plan or arrangement to effect such acquisition or (ii) if the Certificates have been the subject of an ERISA-Qualifying Underwriting and we are an insurance company, we are 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 the purchase and holding of such Certificates satisfy the requirements for exemptive relief under Sections I and III of PTCE 95-60, (e) 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, (f) 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,

_____
Print Name of Transferee

By: _____
Authorized Officer

ANNEX 1 TO EXHIBIT L-1

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:

1. As indicated below, the undersigned is the President, Chief Financial Officer, Senior Vice President or other executive officer of the Buyer.

2. 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 either at least $100,000 in securities or, if Buyer is a dealer, Buyer must own and/or invest on a discretionary basis at least $10,000,000 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.

___ 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.

3. 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.

4. 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 (ii) 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.

5. 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.

6. 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: _____

ANNEX 2 TO EXHIBIT L-1

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: _____

EXHIBIT L-2

[FORM OF] ERISA LETTER (COVERED CERTIFICATES)

_____
Date

CWALT, Inc.
4500 Park Granada
Calabasas, California 91302
Attention: Josh Adler

The Bank of New York
101 Barclay Street – 8W
New York, New York 10286

Attention: Mortgage-Backed Securities Group
Series 200_-_

Re: CWALT, Inc. Mortgage Pass-Through Certificates,
Series 200_-_, Class _____

Ladies and Gentlemen:

In connection with our acquisition of the above Certificates, we certify that we are not, and are not acquiring the Certificates on behalf of or with plan assets of an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I of ERISA, a "plan" as defined in section 4975 of the Code that is subject to section 4975 of the Code, or any person investing on behalf of or with plan assets (as defined in 29 CFR §2510.3-101 or otherwise under ERISA) of such an employee benefit plan or plan, or (ii) the purchase and holding of the Certificates satisfy the requirements for exemptive relief under PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar exemption. We understand that, in the event that such representation is violated, such transfer or acquisition shall be void and of no effect.

Very truly yours,

_____
Print Name of Transferee

By: _____
Authorized Officer

EXHIBIT M

[FORM OF] REQUEST FOR RELEASE
(for Trustee)

CWALT, Inc.
Mortgage Pass-Through Certificates
Series 200_-_

Loan Information

Name of Mortgagor: _____

Servicer Loan No.: _____

Trustee

Name: _____

Address: _____

_____

_____

Trustee
Mortgage File No.: _____

The undersigned Master Servicer hereby acknowledges that it has received from The Bank of New York, as Trustee for the Holders of Mortgage Pass-Through Certificates, of the above-referenced Series, the documents referred to below (the "Documents"). All capitalized terms not otherwise defined in this Request for Release shall have the meanings given them in the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series among the Trustee, Countrywide Home Loans, Inc., as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer and CWALT, Inc., as Depositor.

( ) Mortgage Note dated _____, 20__, in the original principal sum of $_____, made by _____, payable to, or endorsed to the order of, the Trustee.

( ) Mortgage recorded on _____ as instrument no. _____ in the County Recorder's Office of _____, State of _____ in book/reel/docket _____ of official records at page/image _____.

( ) Deed of Trust recorded on _____ as instrument no. _____ in the County Recorder's Office of the County of _____, State of _____ in book/reel/docket _____ of official records at page/image _____.

( ) Assignment of Mortgage or Deed of Trust to the Trustee, recorded on _____ as instrument no. _____ in the County Recorder's Office of the County of _____, State of _____ in book/reel/docket _____ of official records at page/image _____.

( ) Other documents, including any amendments, assignments or other assumptions of the Mortgage Note or Mortgage.

( )_____

( )_____

( )_____

( )_____

The undersigned Master Servicer hereby acknowledges and agrees as follows:

(1) The Master Servicer shall hold and retain possession of the Documents in trust for the benefit of the Trustee, solely for the purposes provided in the Agreement.

(2) The Master Servicer shall not cause or knowingly permit the Documents to become subject to, or encumbered by, any claim, liens, security interest, charges, writs of attachment or other impositions nor shall the Servicer assert or seek to assert any claims or rights of setoff to or against the Documents or any proceeds thereof.

(3) The Master Servicer shall return each and every Document previously requested from the Mortgage File to the Trustee when the need therefor no longer exists, unless the Mortgage Loan relating to the Documents has been liquidated and the proceeds thereof have been remitted to the Certificate Account and except as expressly provided in the Agreement.

(4) The Documents and any proceeds thereof, including any proceeds of proceeds, coming into the possession or control of the Master Servicer shall at all times be earmarked for the account of the Trustee, and the Master Servicer shall keep the Documents and any proceeds separate and distinct from all other property in the Master Servicer's possession, custody or control.

COUNTRYWIDE HOME LOANS
SERVICING LP

By _____

Its _____

Date: _____, 20__

EXHIBIT N

[FORM OF] REQUEST FOR RELEASE OF DOCUMENTS

To: The Bank of New York Attn: Mortgage Custody Services

Re: The Pooling & Servicing Agreement dated [month] 1, 200_, among Countrywide Home Loans, Inc., as a Seller, Park Granada LLC, as a Seller, Park Monaco, Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer, CWALT, Inc. and The Bank of New York, as Trustee

Ladies and Gentlemen:

In connection with the administration of the Mortgage Loans held by you as Trustee for CWALT, Inc., we request the release of the Mortgage Loan File for the Mortgage Loan(s) described below, for the reason indicated.

FT Account #: Pool #:

Mortgagor's Name, Address and Zip Code:

Mortgage Loan Number:

Reason for Requesting Documents (check one)

1. Mortgage Loan paid in full (Countrywide Home Loans, Inc. hereby certifies that all amounts have been received).

2. Mortgage Loan Liquidated (Countrywide Home Loans, Inc. hereby certifies that all proceeds of foreclosure, insurance, or other liquidation have been finally received).

3. Mortgage Loan in Foreclosure.

4. Mortgage Loan repurchased by the Master Servicer pursuant to Section 3.11(a) (Countrywide Home Loans Servicing LP hereby certifies that the Purchase Price for the Mortgage Loan has been deposited in the Certificate Account).

5. Other (explain):

If item 1 or 2 above is checked, and if all or part of the Mortgage File was previously released to us, please release to us our previous receipt on file with you, as well as any additional documents in your possession relating to the above-specified Mortgage Loan. If item 3, 4 or 5 is checked, upon return of all of the above documents to you as Trustee, please acknowledge your receipt by signing in the space indicated below, and returning this form.

COUNTRYWIDE HOME LOANS, INC.
4500 Park Granada
Calabasas, California 91302

By:_____
Name:_____
Title:_____
Date:_____

[COUNTRYWIDE HOME LOANS SERVICING LP]

By:_____
Name:_____
Title:_____
Date:_____

TRUSTEE CONSENT TO RELEASE AND
ACKNOWLEDGEMENT OF RECEIPT

By:_____
Name:_____
Title:_____
Date:_____

EXHIBIT O

GLOSSARY OF TERMS FOR STANDARD & POOR'S LEVELS®
VERSION 5.7 FILE FORMAT

APPENDIX E – Standard & Poor's Predatory Lending Categories

Standard & Poor's has categorized loans governed by anti-predatory lending laws in the Jurisdictions listed below into three categories based upon a combination of factors that include (a) the risk exposure associated with the assignee liability and (b) the tests and thresholds set forth in those laws. Note that certain loans classified by the relevant statute as Covered are included in Standard & Poor's High Cost Loan Category because they included thresholds and tests that are typical of what is generally considered High Cost by the industry.

Standard & Poor's High Cost Loan Categorization

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Arkansas	Arkansas Home Loan Protection Act, Ark. Code Ann. §§ 23-53-101 et seq. Effective July 16, 2003	High Cost Home Loan
Cleveland Heights, OH	Ordinance No. 72-2003 (PSH), Mun. Code §§ 757.01 et seq. Effective June 2, 2003	Covered Loan
Colorado	Consumer Equity Protection, Colo. Stat. Ann. §§ 5-3.5-101 et seq. Effective for covered loans offered or entered into on or after January 1, 2003. Other provisions of the Act took effect on June 7, 2002	Covered Loan
Connecticut	Connecticut Abusive Home Loan Lending Practices Act, Conn. Gen. Stat. §§ 36a-746 et seq. Effective October 1, 2001	High Cost Home Loan
District of Columbia	Home Loan Protection Act, D.C. Code §§ 26-1151.01 et seq. Effective for loans closed on or after January 28, 2003	Covered Loan

Standard & Poor's High Cost Loan Categorization

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Florida	Fair Lending Act, Fla. Stat. Ann. §§ 494.0078 et seq. Effective October 2, 2002	High Cost Home Loan
Georgia (Oct. 1, 2002 – Mar. 6, 2003)	Georgia Fair Lending Act, Ga. Code Ann. §§ 7-6A-1 et seq. Effective October 1, 2002 – March 6, 2003	High Cost Home Loan
Georgia as amended (Mar. 7, 2003 – current)	Georgia Fair Lending Act, Ga. Code Ann. §§ 7-6A-1 et seq. Effective for loans closed on or after March 7, 2003	High Cost Home Loan
HOEPA Section 32	Home Ownership and Equity Protection Act of 1994, 15 U.S.C. § 1639, 12 C.F.R. §§ 226.32 and 226.34 Effective October 1, 1995, amendments October 1, 2002	High Cost Loan
Illinois	High Risk Home Loan Act, Ill. Comp. Stat. tit. 815, §§ 137/5 et seq. Effective January 1, 2004 (prior to this date, regulations under Residential Mortgage License Act effective from May 14, 2001)	High Risk Home Loan
Kansas	Consumer Credit Code, Kan. Stat. Ann. §§ 16a-1-101 et seq. Sections 16a-1-301 and 16a-3-207 became effective April 14, 1999; Section 16a-3-308a became effective July 1, 1999	High Loan to Value Consumer Loan (id. § 16a-3-207) and; High APR Consumer Loan (id. § 16a-3-308a)
Kentucky	2003 KY H.B. 287 – High Cost Home Loan Act, Ky. Rev. Stat. §§ 360.100 et seq. Effective June 24, 2003	High Cost Home Loan

Standard & Poor's High Cost Loan Categorization

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Maine	Truth in Lending, Me. Rev. Stat. tit. 9-A, §§ 8-101 et seq. Effective September 29, 1995 and as amended from time to time	High Rate High Fee Mortgage
Massachusetts	Part 40 and Part 32, 209 C.M.R. §§ 32.00 et seq. and 209 C.M.R. §§ 40.01 et seq. Effective March 22, 2001 and amended from time to time	High Cost Home Loan
Nevada	Assembly Bill No. 284, Nev. Rev. Stat. §§ 598D.010 et seq. Effective October 1, 2003	Home Loan
New Jersey	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat. §§ 46:10B-22 et seq. Effective for loans closed on or after November 27, 2003	High Cost Home Loan
New Mexico	Home Loan Protection Act, N.M. Rev. Stat. §§ 58-21A-1 et seq. Effective as of January 1, 2004; Revised as of February 26, 2004	High Cost Home Loan
New York	N.Y. Banking Law Article 6-l Effective for applications made on or after April 1, 2003	High Cost Home Loan
North Carolina	Restrictions and Limitations on High Cost Home Loans, N.C. Gen. Stat. §§ 24-1.1E et seq. Effective July 1, 2000; amended October 1, 2003 (adding open-end lines of credit)	High Cost Home Loan
Ohio	H.B. 386 (codified in various sections of the Ohio Code), Ohio Rev. Code Ann.	Covered Loan

Standard & Poor's High Cost Loan Categorization

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
	§§ 1349.25 et seq. Effective May 24, 2002	
Oklahoma	Consumer Credit Code (codified in various sections of Title 14A) Effective July 1, 2000; amended effective January 1, 2004	Subsection 10 Mortgage
South Carolina	South Carolina High Cost and Consumer Home Loans Act, S.C. Code Ann. §§ 37-23-10 et seq. Effective for loans taken on or after January 1, 2004	High Cost Home Loan
West Virginia	West Virginia Residential Mortgage Lender, Broker and Servicer Act, W. Va. Code Ann. §§ 31-17-1 et seq. Effective June 5, 2002	West Virginia Mortgage Loan Act Loan

Standard & Poor's Covered Loan Categorization

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Georgia (Oct. 1, 2002 – Mar. 6, 2003)	Georgia Fair Lending Act, Ga. Code Ann. §§ 7-6A-1 et seq. Effective October 1, 2002 – March 6, 2003	Covered Loan
New Jersey	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat. §§ 46:10B-22 et seq. Effective November 27, 2003 – July 5, 2004	Covered Home Loan

Standard & Poor's Home Loan Categorization

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Georgia (Oct. 1, 2002 – Mar. 6, 2003)	Georgia Fair Lending Act, Ga. Code Ann. §§ 7-6A-1 et seq. Effective October 1, 2002 – March 6, 2003	Home Loan
New Jersey	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat. §§ 46:10B-22 et seq. Effective for loans closed on or after November 27, 2003	Home Loan
New Mexico	Home Loan Protection Act, N.M. Rev. Stat. §§ 58-21A-1 et seq. Effective as of January 1, 2004; Revised as of February 26, 2004	Home Loan
North Carolina	Restrictions and Limitations on High Cost Home Loans, N.C. Gen. Stat. §§ 24-1.1E et seq. Effective July 1, 2000; amended October 1, 2003 (adding open-end lines of credit)	Consumer Home Loan
South Carolina	South Carolina High Cost and Consumer Home Loans Act, S.C. Code Ann. §§ 37-23-10 et seq. Effective for loans taken on or after January 1, 2004	Consumer Home Loan

EXHIBIT P

[FORM OF] SUPPLEMENTAL TRANSFER AGREEMENT

THIS SUPPLEMENTAL TRANSFER AGREEMENT, dated as of _____, 200_ (this "Supplemental Transfer Agreement"), among CWALT, INC., a Delaware corporation, as depositor (the "Depositor"), COUNTRYWIDE HOME LOANS, INC. ("CHL"), a New York corporation, as a seller (a "Seller"), PARK GRANADA LLC ("Park Granada"), a Delaware limited liability company, as a seller (a "Seller"), PARK MONACO INC. ("Park Monaco"), a Delaware limited liability corporation, as a seller (a "Seller"), PARK SIENNA LLC ("Park Sienna"), a Delaware limited liability company, as a seller (a "Seller" and together with CHL, Park Granada and Park Monaco, the "Sellers") under the Pooling and Servicing Agreement referred to below, and THE BANK OF NEW YORK, a New York banking corporation, as trustee (the "Trustee");

WHEREAS, the Depositor, the Sellers, the Trustee and Countrywide Home Loans Servicing LP, as Master Servicer, have entered in the Pooling and Servicing Agreement, dated as of [month] 1, 200[•] (the "Pooling and Servicing Agreement"), in relation to the CHL Mortgage Pass-Through Trust 200_-_, Mortgage Pass-Through Certificates, Series 200_-_;

WHEREAS, Section 2.01(e) of the Pooling and Servicing Agreement provides for the parties hereto to enter into this Supplemental Transfer Agreement in accordance with the terms and conditions of the Pooling and Servicing Agreement;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged the parties hereto agree as follows:

(a) The "Supplemental Transfer Date" with respect to this Supplemental Transfer Agreement shall be _____, 200_.

(b) The "Aggregate Supplemental Purchase Amount" with respect to this Supplemental Transfer Agreement shall be $_____; provided, however, that such amount shall not exceed the amount on deposit in the Supplemental Loan Account.

(c) The "Capitalized Interest Requirement" with respect to this Supplemental Transfer Agreement shall be $_____; provided, however, that such amount shall not exceed the amount on deposit in the Capitalized Interest Account.

(d) [Reserved]

(e) In case any provision of this Supplemental Transfer Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions or obligations shall not in any way be affected or impaired thereby.

(f) In the event of any conflict between the provisions of this Supplemental Transfer Agreement and the Pooling and Servicing Agreement, the provisions of the Pooling and Servicing Agreement shall prevail.

(g) This Supplemental Transfer Agreement shall be governed by, and shall be construed and enforced in accordance with the laws of the State of New York.

(h) The Supplemental Transfer Agreement may be executed in one or more counterparts, each of which so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties to this Supplemental Transfer Agreement have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

CWALT, INC.,
as Depositor

By:_____
Name:
Title:

COUNTRYWIDE HOME LOANS, INC.,
as Seller

By:_____
Name:
Title:

PARK GRANADA LLC,
as a Seller

By:_____
Name:
Title:

PARK MONACO, INC.,
as a Seller

By:_____
Name:
Title:

PARK SIENNA LLC,
as a Seller

By: _____
Name:
Title:

THE BANK OF NEW YORK,
not in its individual capacity,
but solely as Trustee

By: _____
Name:
Title:

Acknowledged and Agreed:

COUNTRYWIDE HOME LOANS SERVICING LP,
as Master Servicer

By: COUNTRYWIDE GP, INC.

By: _____
Name:
Title:

EXHIBIT Q

MONTHLY REPORT

[On file with Trustee]

EXHIBIT R-1

FORM OF PERFORMANCE CERTIFICATION
(Subservicer)

Re: The Pooling and Servicing Agreement dated as of [_____] (the "Pooling and Servicing Agreement") among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc., as a Seller, Park Monaco Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer, the undersigned, as Trustee and [Subservicing Agreement] dated as of [ ] (the "Agreement")

I, _____, the _____ of [NAME OF COMPANY] (the "Company"), certify to the Depositor and the Master Servicer, and their officers, with the knowledge and intent that they will rely upon this certification, 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 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"), 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 the Depositor, the Master Servicer or 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 or the Trustee, as applicable;

(4) I am responsible for reviewing the activities performed by the Company as a servicer under 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 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 Master Servicer. Any material instances of noncompliance described in such reports have been disclosed to the Master Servicer. Any material instance of noncompliance with the Servicing Criteria has been disclosed in such reports.

Date: _____

By: _____
Name:
Title:

EXHIBIT R-2

FORM OF PERFORMANCE CERTIFICATION
(Trustee)

Re: The Pooling and Servicing Agreement dated as of [_____], (the "Pooling and Servicing Agreement") among CWALT, Inc., as Depositor, Countrywide Home Loans, Inc., as a Seller, Park Monaco Inc., as a Seller, Park Sienna LLC, as a Seller, Countrywide Home Loans Servicing LP, as Master Servicer, the undersigned, as Trustee

I, _____, the _____ of [NAME OF COMPANY] (the "Company"), certify to the Depositor and the Master Servicer, and their officers, with the knowledge and intent that they will rely upon this certification, that:

(1) I have reviewed 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 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"), [all reports on Form 10-D containing statements to certificateholders filed in respect of the period included in the year covered by the annual report of the Trust Fund] (collectively, the "Distribution Date Statements");

(2) Assuming the accuracy and completeness of the information delivered to the Company by the Master Servicer as provided in the Pooling and Servicing Agreement and subject to paragraph (4) below, the distribution information determined by the Company and set forth in the Distribution Date Statements contained in all Form 10-D's included in the year covered by the annual report of such Trust on Form 10-K for the calendar year 200[ ], is complete and does not contain any material misstatement of fact as of the last day of the period covered by such annual report;

(3) Based solely on the information delivered to the Company by the Master Servicer as provided in the Pooling and Servicing Agreement, (i) the distribution information required under the Pooling and Servicing Agreement to be contained in the Trust Fund's Distribution Date Statements and (ii) the servicing information required to be provided by the Master Servicer to the trustee for inclusion in the Trust Fund's Distribution Date Statements, to the extent received by the Trustee from the Master Servicer in accordance with the Pooling and Servicing Agreement, is included in such Distribution Date Statements;

(4) The Company is not certifying as to the accuracy, completeness or correctness of the information which it received from the Master Servicer and did not

independently verify or confirm the accuracy, completeness or correctness of the information provided by the Master Servicer;

(5) I am responsible for reviewing the activities performed by the Company as a person "performing a servicing function" under the Pooling and Servicing Agreement, and based on my knowledge and the compliance review conducted in preparing the Servicing Assessment and except as disclosed in the Servicing Assessment or the Attestation Report, the Company has fulfilled its obligations under the Pooling and Servicing Agreement; and

(6) The Servicing Assessment and Attestation Report required to be provided by the Company and by Subcontractor pursuant to the Pooling and Servicing Agreement, have been provided to the Master Servicer and the Depositor. Any material instances of noncompliance described in such reports have been disclosed to the Master Servicer and the Depositor. Any material instance of noncompliance with the Servicing Criteria has been disclosed in such reports.

Date: _____

By: _____
Name:
Title:

EXHIBIT S

[FORM OF]
SERVICING CRITERIA TO BE ADDRESSED IN
ASSESSMENT OF COMPLIANCE STATEMENT

The assessment of compliance to be delivered by [the Master Servicer] [Trustee] [Name of Subservicer] shall address, at a minimum, the criteria identified as below as "Applicable Servicing Criteria":

Servicing Criteria		Applicable Servicing Criteria
Reference	Criteria	
	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.	
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 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.	
	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.	
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	
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.	
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.	
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.	
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	

Servicing Criteria		Applicable Servicing Criteria
Reference	Criteria	
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.	
	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.	
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.	
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.	
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.	
	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.	
1122(d)(4)(ii)	Mortgage loan 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.	
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.	
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.	
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.	
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.	

Servicing Criteria		Applicable Servicing Criteria
Reference	Criteria	
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).	
1122(d)(4)(ix)	Adjustments to interest rates or rates of return for mortgage loans with variable rates are computed based on the related mortgage loan documents.	
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.	
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.	
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.	

[NAME OF MASTER SERVICER] [NAME OF TRUSTEE] [NAME OF SUBSERVICER]

Date: _____

By: _____
Name:
Title:

EXHIBIT T

[FORM OF] LIST OF ITEM 1119 PARTIES

ALTERNATIVE LOAN TRUST 200_-__

MORTGAGE PASS-THROUGH CERTIFICATES,
Series 200_-__

[Date]

Party	**Contact Information**

EXHIBIT U

FORM OF SARBANES-OXLEY CERTIFICATION
(REPLACEMENT OF MASTER SERVICER)

Re: Alternative Loan Trust 200[ ]-OA[ ], Mortgage Pass-Through Certificates, Series 200[ ]-OA[ ]

The undersigned Servicer hereby certifies to the Depositor and its officers, directors and Affiliates (collectively, the "Certification Parties") as follows, with the knowledge and intent that the Certification Parties will rely on this Certification in connection with the certification concerning the Trust Fund to be signed by an officer of the Depositor and submitted to the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002:

1. I have reviewed the servicer compliance statement of the Master Servicer provided in accordance with Item 1123 of Regulation AB (the "Compliance Statement"), the report on assessment of the Servicer'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 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 Master Servicer during 200[ ] that were delivered by the Master Servicer to the Trustee pursuant to the Agreement (collectively, the "Servicing Information");

2. Based on my knowledge, the 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 Servicing Information;

3. Based on my knowledge, all of the Servicing Information required to be provided by the Master Servicer under the Agreement has been provided to the Depositor or the Trustee, as applicable;

4. I am responsible for reviewing the activities performed by the Master Servicer as servicer under the Servicing Agreement (the "Pooling and Servicing Agreement") relating to the above-referenced Series, among Countrywide Home Loans, Inc., as a seller, Park Granada LLC, as a seller, Park Sienna LLC, as a seller, Park Monaco Inc., as a seller, [ ], as master servicer, CWALT, Inc., as depositor, and The Bank of New York, as trustee, and based on my knowledge and the compliance review conducted in preparing the Compliance Statement and except as disclosed in the Compliance Statement, the Pooling and Servicing Assessment or the

Attestation Report, the Master Servicer has fulfilled its obligations under the Agreement in all material respects; and

5. The Compliance Statement required to be delivered by the Master Servicer pursuant to the Pooling and Agreement, and the Servicing Assessment and Attestation Report required to be provided by the Master Servicer and by any Subservicer or Reporting Subcontractor pursuant to the Agreement, have been provided to the Depositor. Any material instances of noncompliance described in such reports have been disclosed to the Depositor. Any material instance of noncompliance with the Servicing Criteria has been disclosed in such reports.

[MASTER SERVICER]

By:_____
Name:
Title:
Date: _____

EXHIBIT H

CWABS Asset-Backed Notes Trust 2007-SEA2

Issuer

and

THE BANK OF NEW YORK

Indenture Trustee

INDENTURE

Dated as of October 11, 2007

Asset-Backed Notes

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EXHIBITS

This Indenture, dated as of October 11, 2007, is entered into between CWABS Asset-Backed Notes Trust 2007-SEA2, a Delaware statutory trust, as Issuer (the "Issuer"), and The Bank of New York, a New York banking corporation, as Indenture Trustee (the "Indenture Trustee").

WITNESSETH THAT:

Each party hereto agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Issuer's Asset-Backed Notes, Series 2007-SEA2 (the "Notes").

GRANTING CLAUSE

The Issuer hereby Grants to the Indenture Trustee at the Closing Date, as trustee for the benefit of the Holders of the Notes, all of the Issuer's right, title and interest in and to whether now existing or hereafter created by (a) the Mortgage Loans, Replacement Mortgage Loans, and the proceeds thereof (including Arrearages); (b) all funds on deposit from time to time in the Collection Account allocable to the related Mortgage Loans excluding any investment income from such funds; (c) all funds on deposit from time to time in the Payment Account excluding any investment income from such funds and in all proceeds thereof; (d) any REO Property, (e) each Required Insurance Policy, and any amounts payable by the insurer under any Insurance Policy (to the extent the mortgagee has a claim thereto); (f) all rights under (i) the Sale and Servicing Agreement and any Subservicing Agreements, and (iii) any title, hazard and primary insurance policies with respect to the Mortgaged Properties; (g) the rights with respect to the Swap Contracts as assigned to the Issuer; (h) the Carryover Reserve Account; and (i) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under, and all proceeds of every kind and nature whatsoever in respect of, any or all of the foregoing and all payments on or under, and all proceeds of every kind and nature whatsoever in the conversion thereof, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, checks, deposit accounts, rights to payment of any and every kind, and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectively, the "Trust Estate" or the "Collateral").

The foregoing Grant is made in trust to secure the payment of principal of and interest on, and any other amounts owing in respect of, the Notes, equally and ratably without prejudice, priority or distinction, and to secure compliance with the provisions of this Indenture, all as provided in this Indenture.

The Indenture Trustee, as trustee on behalf of the Holders of the Notes, acknowledges such Grant, accepts the trust under this Indenture in accordance with the provisions hereof and agrees to perform its duties as Indenture Trustee as required herein.

The Indenture Trustee further agrees to enter into the Swap Contract Administration Agreement, as Indenture Trustee pursuant to this Indenture, on the terms and

conditions set forth in the Swap Contract Administration Agreement and subject to the rights and protections set forth herein.

The Indenture Trustee further agrees to establish a Carryover Reserve Account, on behalf of the Trust Estate, on the terms and conditions set forth in the Sale and Servicing Agreement.

ARTICLE I.

DEFINITIONS

Section 1.01 Definitions. For all purposes of this Indenture, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Definitions attached hereto as Appendix A which is incorporated by reference herein. All other capitalized terms used herein shall have the meanings specified herein.

Section 1.02 Rules of Construction. Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles as in effect from time to time;

(iii) "or" is not exclusive;

(iv) "including" means including without limitation;

(v) words in the singular include the plural and words in the plural include the singular;

(vi) any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; references to a Person are also to its permitted successors and assigns; and

(vii) A Mortgage Loan is "30 days delinquent" if a Scheduled Payment has not been received by the close of business on the Due Date on which the next Scheduled Payment is due. Similarly for "60 days delinquent", "90 days delinquent" and so on. The delinquency method used for calculations with respect to the mortgage loans will be in accordance with the methodology used by lenders regulated by the OTS. Unless otherwise provided in this Agreement, the determination as to whether a Mortgage Loan falls into a delinquency category shall be made as of the close of business on the last day of each month prior to the date of determining the delinquency.

ARTICLE II.

ORIGINAL ISSUANCE OF NOTES

Section 2.01 Form. The Class A, Class M, Class B, Class C, Class P and Class G Notes, together with the Indenture Trustee's certificate of authentication, shall be in substantially the form set forth in Exhibits A through D to this Indenture, respectively, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

The Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders).

The terms of the Notes set forth in Exhibits A through D to this Indenture are part of the terms of this Indenture.

Section 2.02 Execution, Authentication and Delivery. The Notes shall be executed on behalf of the Issuer by any of its Authorized Officers. The signature of any such Authorized Officer on the Notes may be manual or facsimile.

Notes bearing the manual or facsimile signature of individuals who were at any time Authorized Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

The Indenture Trustee shall upon Issuer Request authenticate and deliver (i) the Group 1 Notes for original issue in an aggregate initial principal amount of $107,472,921.34 and (ii) the Group 2 Notes for original issue in an aggregate initial principal amount of $74,330,100.00. Each Class of Notes shall be issued in the following Initial Note Principal Balance:

Class	Initial Note Principal Balance
Class 1-A-1	$74,334,000.00
Class 1-A-2	$18,583,000.00
Class 1-M-1	$2,262,000.00
Class 1-M-2	$2,440,000.00
Class 1-M-3	$4,703,000.00
Class 1-M-4	$1,309,000.00
Class 1-M-5	$1,845,000.00
Class 1-M-6	$1,012,000.00
Class 1-B-1	$715,000.00
Class 1-C	$119,048,388.70*
Class 1-P	$100.00
Class 1-G	$269,821.34

Class 2-A-1	$50,277,000.00
Class 2-A-2	$12,569,000.00
Class 2-M-1	$1,337,000.00
Class 2-M-2	$2,084,000.00
Class 2-M-3	$3,619,000.00
Class 2-M-4	$826,000.00
Class 2-M-5	$2,831,000.00
Class 2-M-6	$393,000.00
Class 2-B-1	$394,000.00
Class 2-C	$78,656,366.67*
Class 2-P	$100.00
Class 2-R	$100.00

* Notional Amount

Each of the Notes shall be dated the date of its authentication. The Notes shall be issuable as registered Notes and the Notes (other than the Class P, Class G and Class C Notes) shall be issuable in the minimum initial Note Principal Balances of $100,000 and in integral multiples of $1 in excess thereof. Each Class of the Class P Notes shall be issuable as a single note with a Note Principal Balance of $100. Each Class of the Class C Notes shall be issuable in minimum percentage interests of 20% and integral multiples of 0.01% in excess thereof. The Class 1-G Notes shall be issuable as a single note with a Note Principal Balance of $269,821.34.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note or a facsimile thereof, a certificate of authentication substantially in the form provided for herein executed by the Indenture Trustee by the manual signature of one of its authorized signatories, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

ARTICLE III.

COVENANTS

Section 3.01 Collection of Payments with respect to the Mortgage Loans. The Indenture Trustee shall maintain the Payment Account established pursuant to Section 3.05 of the Sale and Servicing Agreement in accordance with the requirements of such Section. The Indenture Trustee shall make all payments of principal of and interest on the related Notes, subject to Section 3.03 herein, as provided in Section 3.05 of the Sale and Servicing Agreement from monies on deposit in the Payment Account.

Section 3.02 Maintenance of Office or Agency. The Indenture Trustee will maintain or cause to be maintained at its expense an office or offices or agency or agencies in New York City where Notes may be surrendered for registration of transfer or exchange. The Indenture Trustee

initially designates its offices at 101 Barclay Street, Floor 4W, New York, New York 10286, Attention: Corporate Trust MBS Administration, as offices for such purposes. The Indenture Trustee will give prompt written notice to the Noteholders of any change in such location of any such office or agency.

Section 3.03 Money for Payments To Be Held in Trust; Paying Agent. As provided in Section 3.01, all payments of amounts due and payable with respect to the related Notes that are to be made from amounts withdrawn from the Payment Account pursuant to Section 3.01 shall be made on behalf of the Issuer by the Indenture Trustee or by the Paying Agent, and no amounts so withdrawn from the Payment Account for payments of Notes shall be paid over to the Issuer except as provided in this Section 3.03. The Issuer hereby appoints the Indenture Trustee as its Paying Agent.

The Issuer will cause each Paying Agent other than the Indenture Trustee to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Agent it hereby so agrees), subject to the provisions of this Section 3.03, that such Paying Agent will:

(i) hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(ii) give the Indenture Trustee notice of any default by the Issuer of which it has actual knowledge in the making of any payment required to be made with respect to the Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Indenture Trustee, forthwith pay to the Indenture Trustee all sums so held in trust by such Paying Agent;

(iv) immediately resign as Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards required to be met by a Paying Agent at the time of its appointment;

(v) comply with all requirements of the Code with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith; and

(vi) not commence a bankruptcy proceeding against the Issuer in connection with this Indenture.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Request direct any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying

Agent; and upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Subject to applicable laws with respect to escheat of funds, any money held by the Indenture Trustee or any Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for one year after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer on Issuer Request; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Indenture Trustee or such Paying Agent with respect to such trust money shall thereupon cease; *provided, however,* that the Indenture Trustee or such Paying Agent, before being required to make any such repayment, shall at the expense and direction of the Issuer cause to be published once, in an Authorized Newspaper published in the English language, notice that such money remains unclaimed and that, after a date specified therein which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Indenture Trustee may also adopt and employ, at the expense and direction of the Issuer, any other reasonable means of notification of such repayment (including, but not limited to, mailing notice of such repayment to Holders whose Notes have been called but have not been surrendered for redemption or whose right to or interest in monies due and payable but not claimed is determinable from the records of the Indenture Trustee or of any Paying Agent, at the last address of record for each such Holder).

Section 3.04 Existence. The Issuer will keep in full effect its existence, rights and franchises as a statutory trust under the laws of the State of Delaware (unless it becomes, or any successor Issuer hereunder is or becomes, organized under the laws of any other state or of the United States of America, in which case the Issuer will keep in full effect its existence, rights and franchises under the laws of such other jurisdiction) and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the Notes, the Mortgage Loans and each other instrument or agreement included in the Trust Estate.

Section 3.05 [Reserved]

Section 3.06 Protection of Trust Estate. (1) The Issuer will from time to time prepare, execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action necessary or advisable to:

(i) maintain or preserve the lien and security interest (and the priority thereof) of this Indenture or carry out more effectively the purposes hereof;

(ii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture;

(iii) cause the Indenture Trustee or Master Servicer to enforce any of the rights to the Mortgage Loans; or

(iv) preserve and defend title to the Trust Estate and the rights of the Indenture Trustee and the Noteholders in such Trust Estate against the claims of all persons and parties.

(2) Except as otherwise provided in this Indenture, the Indenture Trustee shall not remove any portion of the Trust Estate that consists of money or is evidenced by an instrument, certificate or other writing from the jurisdiction in which it was held at the date of the most recent Opinion of Counsel delivered pursuant to Section 3.07 hereof (or from the jurisdiction in which it was held as described in the Opinion of Counsel delivered on the Closing Date pursuant to Section 3.07(a) hereof, or if no Opinion of Counsel has yet been delivered pursuant to Section 3.07(b) hereof, unless the Indenture Trustee shall have first received an Opinion of Counsel to the effect that the lien and security interest created by this Indenture with respect to such property will continue to be maintained after giving effect to such action or actions).

The Issuer hereby designates the Indenture Trustee its agent and attorney-in-fact to sign any financing statement, continuation statement or other instrument required to be signed pursuant to this Section 3.06 upon the Issuer's preparation thereof and delivery to the Indenture Trustee.

Section 3.07 Opinions as to Trust Estate. (1) On the Closing Date, the Issuer shall furnish to the Indenture Trustee and the Owner Trustee an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording and filing of this Indenture, any indentures supplemental hereto, and any other requisite documents, and with respect to the execution and filing of any financing statements and continuation statements, as are necessary to perfect and make effective the lien and first priority security interest in the Collateral and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to make such lien and first priority security interest effective.

(2) On or before March 1 in each calendar year, beginning in 2008 the Issuer shall furnish to the Indenture Trustee an Opinion of Counsel at the expense of the Issuer either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents and with respect to the execution and filing of any financing statements and continuation statements as is necessary to maintain the lien and first priority security interest in the Collateral and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to maintain such lien and security interest. Such Opinion of Counsel shall also describe the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents and the execution and filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to maintain the lien and security interest in the Collateral until December 31 in the following calendar year.

Section 3.08 Performance of Obligations. (1) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the Basic Documents and in the instruments and agreements included in the Trust Estate.

(2) The Issuer may contract with other Persons to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Indenture Trustee in an Officer's Certificate of the Issuer shall be deemed to be action taken by the Issuer.

(3) The Issuer will not take any action or permit any action to be taken by others which would release any Person from any of such Person's covenants or obligations under any of the documents relating to the Mortgage Loans, or under any instrument included in the Trust Estate, or which would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any of the documents relating to the Mortgage Loans or any such instrument, except such actions as the Master Servicer is expressly permitted to take in the Sale and Servicing Agreement. The Indenture Trustee, as pledgee of the Mortgage Loans, may exercise the rights of the Issuer to direct the actions of the Master Servicer pursuant to the Sale and Servicing Agreement.

(4) The Issuer may retain an administrator and may enter into contracts with other Persons for the performance of the Issuer's obligations hereunder, and performance of such obligations by such Persons shall be deemed to be performance of such obligations by the Issuer.

Section 3.09 Negative Covenants. So long as any Notes are Outstanding, the Issuer shall not:

(i) except as expressly permitted by this Indenture, sell, transfer, exchange or otherwise dispose of the Trust Estate, unless directed to do so by the Indenture Trustee;

(ii) claim any credit on, or make any deduction from the principal or interest payable in respect of, the Notes (other than amounts properly withheld from such payments under the Code) or assert any claim against any present or former Noteholder by reason of the payment of the taxes levied or assessed upon any part of the Trust Estate;

(iii) (A) permit the validity or effectiveness of this Indenture to be impaired, or permit the lien of this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to the Notes under this Indenture except as may be expressly permitted hereby, (B) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than the lien of this Indenture) to be created on or extend to or otherwise arise upon or burden the Trust Estate or any part thereof or any interest therein or the proceeds thereof or (C) permit the lien of this Indenture not to constitute a valid first priority security interest in the Trust Estate; or

(iv) waive or impair, or fail to assert rights under, the Mortgage Loans or impair or cause to be impaired the Issuer's interest in the Mortgage Loans, the Sale and Servicing Agreement or in any Basic Document, if any such action would materially and adversely affect the interests of the Noteholders.

Section 3.10 Annual Statement as to Compliance. The Issuer will deliver to the Indenture Trustee, by March 1 of each year commencing with the calendar year 2008 an Officer's Certificate stating, as to the Authorized Officer signing such Officer's Certificate, that:

(i) a review of the activities of the Issuer during the previous calendar year and of its performance under this Indenture has been made under such Authorized Officer's supervision; and

(ii) to the best of such Authorized Officer's knowledge, based on such review, the Issuer has complied with all conditions and covenants under this Indenture throughout such year, or, if there has been a default in its compliance with any such condition or covenant, specifying each such default known to such Authorized Officer and the nature and status thereof.

Section 3.11 [Reserved].

Section 3.12 Representations and Warranties Concerning the Mortgage Loans. The Indenture Trustee, as pledgee of the Mortgage Loans, has the benefit of the representations and warranties made by the Seller in the Sale and Servicing Agreement concerning the Seller and the Mortgage Loans to the same extent as though such representations and warranties were made directly to the Indenture Trustee. If a Responsible Officer of the Indenture Trustee has actual knowledge of any breach of any representation or warranty made by the Seller in the Sale and Servicing Agreement, the Indenture Trustee shall promptly notify the Seller of such finding and the Seller's obligation to cure such defect or repurchase or substitute for the related Mortgage Loan.

Section 3.13 Amendments to Sale and Servicing Agreement. The Issuer covenants with the Indenture Trustee that it will not enter into any amendment or supplement to the Sale and Servicing Agreement without the prior written consent of the Indenture Trustee.

Section 3.14 Master Servicer as Agent and Bailee of the Indenture Trustee. Solely for purposes of perfection under Section 9-305 of the Uniform Commercial Code or other similar applicable law, rule or regulation of the state in which such property is held by the Master Servicer, the Issuer and the Indenture Trustee hereby acknowledge that the Master Servicer is acting as bailee of the Indenture Trustee in holding amounts on deposit in the Collection Account, as well as its bailee in holding any related document in the Mortgage File released to the Master Servicer, and any other items constituting a part of the Trust Estate which from time to time come into the possession of the Master Servicer. It is intended that, by the Master Servicer's acceptance of such bailee arrangement, the Indenture Trustee, as a secured party of the Mortgage Loans, will be deemed to have possession of such document, such monies and such other items for purposes of Section 9-305 of the Uniform Commercial Code of the state in which such property is held by the Master Servicer. The Indenture Trustee shall not be liable with respect to such documents, monies or items while in possession of the Master Servicer.

Section 3.15 Investment Company Act. The Issuer shall not become an "investment company" or be under the "control" of an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (or any successor or amendatory statute), and the rules and regulations thereunder (taking into account not only the general definition of the term "investment company" but also any available exceptions to such general definition); *provided, however,* that the Issuer shall be in compliance with this Section 3.15 if it shall have obtained an

order exempting it from regulation as an "investment company" so long as it is in compliance with the conditions imposed in such order.

Section 3.16 Issuer May Consolidate, etc. (1) The Issuer shall not consolidate or merge with or into any other Person, unless:

(i) the Person (if other than the Issuer) formed by or surviving such consolidation or merger shall be a Person organized and existing under the laws of the United States of America or any state or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Indenture Trustee, in form reasonably satisfactory to the Indenture Trustee, the due and punctual payment of the principal of and interest on all Notes, and all other amounts payable to the Indenture Trustee, the Group 1 Swap Counterparty and the Group 2 Swap Counterparty, the payment to the Paying Agent of all amounts due to the Noteholders, and the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein;

(ii) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing;

(iii) the Rating Agency shall have notified the Issuer that such transaction shall not cause the rating of the Notes to be reduced, suspended or withdrawn or to be considered by the Rating Agency to be below investment grade;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered a copy thereof to the Indenture Trustee) to the effect that such transaction will not (A) result in a "substantial modification" of the Notes under Treasury Regulation section 1.1001-3, or adversely affect the status of the Notes as indebtedness for federal income tax purposes and cause the Trust to be subject to an entity level tax for federal income tax purposes;

(v) any action that is necessary to maintain the lien and security interest created by this Indenture shall have been taken; and

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation or merger and such supplemental indenture comply with this Article III and that all conditions precedent herein provided for or relating to such transaction have been complied with (including any filing required by the Exchange Act), and that such supplemental indenture is enforceable.

(2) The Issuer shall not convey or transfer any of its properties or assets, including those included in the Trust Estate, to any Person, unless:

(i) the Person that acquires by conveyance or transfer the properties and assets of the Issuer, the conveyance or transfer of which is hereby restricted, shall (A) be a United States citizen or a Person organized and existing under the laws of the United States of America or any state thereof, (B) expressly assume, by an indenture

supplemental hereto, executed and delivered to the Indenture Trustee, in form satisfactory to the Indenture Trustee, the due and punctual payment of the principal of and interest on all Notes and the payment of all other amounts payable to the Group 1 Swap Counterparty and Group 2 Swap Counterparty and the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein, (C) expressly agree by means of such supplemental indenture that all right, title and interest so conveyed or transferred shall be subject and subordinate to the rights of the Holders of the Notes, (D) unless otherwise provided in such supplemental indenture, expressly agree to indemnify, defend and hold harmless the Issuer, the Indenture Trustee against and from any loss, liability or expense arising under or related to this Indenture and the Notes and (E) expressly agree by means of such supplemental indenture that such Person (or if a group of Persons, then one specified Person) shall make all filings with the Commission (and any other appropriate Person) required by the Exchange Act in connection with the Notes;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) the Rating Agency shall have notified the Issuer that such transaction shall not cause the rating of the Notes to be reduced, suspended or withdrawn;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered a copy thereof to the Indenture Trustee) to the effect that such transaction will not (A) result in a "substantial modification" of the Notes under Treasury Regulation section 1.1001-3, or adversely affect the status of the Notes as indebtedness for federal income tax purposes and cause the Trust to be subject to an entity level tax for federal income tax purposes;

(v) any action that is necessary to maintain the lien and security interest created by this Indenture shall have been taken; and

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel each stating that such conveyance or transfer and such supplemental indenture comply with this Article III and that all conditions precedent herein provided for relating to such transaction have been complied with (including any filing required by the Exchange Act).

Section 3.17 Successor or Transferee. (1) Upon any consolidation or merger of the Issuer in accordance with Section 3.16(a), the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been named as the Issuer herein.

(2) Upon a conveyance or transfer of all the assets and properties of the Issuer pursuant to Section 3.16(b), the Issuer will be released from every covenant and agreement of this Indenture to be observed or performed on the part of the Issuer with respect to the Notes

immediately upon the delivery of written notice to the Indenture Trustee of such conveyance or transfer.

Section 3.18 No Other Business. The Issuer shall not engage in any business other than financing, purchasing, owning and selling and managing the Mortgage Loans and the issuance of the Notes and Certificates in the manner contemplated by this Indenture and the Basic Documents and all activities incidental thereto.

Section 3.19 No Borrowing. The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness except for the Notes under this Indenture.

Section 3.20 Guarantees, Loans, Advances and Other Liabilities. Except as contemplated by this Indenture or the Basic Documents, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person.

Section 3.21 Capital Expenditures. The Issuer shall not make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty).

Section 3.22 Determination of Note Rate. On each Interest Determination Date the Indenture Trustee shall determine One-Month LIBOR and the related Note Rate for each Class of Adjustable Rate Notes for the following Accrual Period and shall inform the Issuer, the Master Servicer, and the Depositor at their respective facsimile numbers given to the Indenture Trustee in writing thereof. The establishment of One-Month LIBOR on each Interest Determination Date by the Indenture Trustee and the Indenture Trustee's calculation of the rate of interest applicable to each Class of Adjustable Rate Notes for the related Accrual Period shall (in the absence of manifest error) be final and binding.

Section 3.23 Restricted Payments. The Issuer shall not, directly or indirectly, (i) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to the Owner Trustee or any owner of a beneficial interest in the Issuer or otherwise with respect to any ownership or equity interest or security in or of the Issuer, (ii) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or security or (iii) set aside or otherwise segregate any amounts for any such purpose; *provided, however,* that the Issuer may make, or cause to be made, (x) distributions and payments to the Owner Trustee, the Indenture Trustee, Noteholders and the Certificateholders as contemplated by, and to the extent funds are available for such purpose under this Indenture and the Trust Agreement and (y) payments to the Master Servicer and the Subservicers pursuant to the terms of the Sale and Servicing Agreement. The Issuer will not, directly or indirectly, make payments to or distributions from the Collection Account except in accordance with this Indenture and the Basic Documents.

Section 3.24 Notice of Events of Default. The Issuer shall give the Indenture Trustee and the Rating Agency prompt written notice of each Event of Default hereunder and under the Trust Agreement.

Section 3.25 Further Instruments and Acts. Upon request of the Indenture Trustee, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 3.26 [Reserved]

Section 3.27 [Reserved].

Section 3.28 Certain Representations Regarding the Trust Estate.

(1) With respect to that portion of the Collateral described in clauses (a) through (g) of the definition of Trust Estate, the Issuer represents to the Indenture Trustee that:

(i) This Indenture creates a valid and continuing security interest (as defined in the applicable UCC) in the Collateral in favor of the Indenture Trustee, which security interest is prior to all other liens, and is enforceable as such as against creditors of and purchasers from the Issuer.

(ii) In each case, within the meaning of the applicable UCC: (A) the Collateral described in clauses (a) through (c) constitutes "deposit accounts" or "instruments," as applicable; (B) the Collateral described in clause (d) constitutes "real property;"(C) the Collateral described in clause (e) constitutes "insurance;" and (D) the Collateral described in clauses (e), (f) and (g) constitute "general intangibles."

(iii) The Issuer owns and has good and marketable title to the Collateral, free and clear of any lien, claim or encumbrance of any Person.

(iv) The Issuer has taken all steps necessary to cause the Indenture Trustee to become the account holder of the Collateral.

(v) Other than the security interest granted to the Indenture Trustee pursuant to this Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral.

(vi) The Collateral is not in the name of any Person other than the Issuer or the Indenture Trustee. The Issuer has not consented to the bank maintaining the Collateral to comply with instructions of any Person other than the Indenture Trustee.

(2) With respect to any Collateral in which a security interest may be perfected by filing, the Issuer has not authorized the filing of, and is not aware of any financing statements against, the Issuer, that include a description of collateral covering such Collateral, other than any financing statement relating to the security interest granted to the Indenture Trustee hereunder or that has been terminated. The Issuer is not aware of any judgment or tax lien filings against the Issuer.

(3) The Issuer has caused or will have caused, within ten days of the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in all Collateral granted to the Indenture Trustee hereunder in which a security interest may be perfected by filing. Any financing statement that is filed in connection with this Section 3.28 shall contain a statement that a purchase or security interest in any collateral described therein will violate the rights of the secured party named in such financing statement.

(4) The foregoing representations may not be waived and shall survive the issuance of the Notes.

Section 3.29 [Reserved].

Section 3.30 [Reserved].

Section 3.31 [Reserved].

Section 3.32 [Reserved].

Section 3.33 Allocation of Realized Losses. (1) Prior to each Payment Date, the Master Servicer shall determine the total amount of Realized Losses with respect to each Loan Group that occurred during the related Prepayment Period. The amount of each Realized Loss with respect to each Loan Group shall be evidenced by an Officer's Certificate delivered to the Indenture Trustee with the related Remittance Report.

(2) On each Payment Date following the application of all amounts distributable on such date, the Indenture Trustee shall allocate the Applied Realized Loss Amount with respect to Loan Group 1 to reduce the Note Principal Balances of the Group 1 Offered Notes in the following order of priority: sequentially, to the Class 1-B-1, Class 1-M-6, Class 1-M-5, Class 1-M-4, Class 1-M-3, Class 1-M-2, Class 1-M-1, Class 1-A-2 and Class 1-A-1 Notes, in that order, until the Note Principal Balance of each such Class has been reduced to zero.

(3) On each Payment Date following the application of all amounts distributable on such date, the Indenture Trustee shall allocate the Applied Realized Loss Amount with respect to Loan Group 2 to reduce the Note Principal Balances of the Group 2 Offered Notes in the following order of priority: sequentially, to the Class 2-B-1, Class 2-M-6, Class 2-M-5, Class 2-M-4, Class 2-M-3, Class 2-M-2, Class 2-M-1, Class 2-A-2 and Class 2-A-1 Notes, in that order, until the Note Principal Balance of each such Class has been reduced to zero

(4) All Applied Realized Loss Amounts allocated to a Class of Notes will be allocated among the Notes of such Class in proportion to the Percentage Interests evidenced thereby.

ARTICLE IV.

THE NOTES; SATISFACTION AND DISCHARGE OF INDENTURE

Section 4.01 The Notes. Each Class of Book-Entry Notes shall be registered in the name of a nominee designated by the Depository. Beneficial Owners will hold interests in the Book-Entry Notes through the book-entry facilities of the Depository in minimum initial Note Principal Balances of $100,000 and integral multiples of $1 in excess thereof. Registered Holders will hold the Class 1-C Notes and Class 2-C Notes in physical form in a minimum initial Notional Amount of $119,048,388.70 and $78,656,366.67, respectively, and each issuable in minimum percentage interests of 20% and integral multiples of 1% in excess thereof. Registered Holders will hold interests in the Class 1-P Notes and Class 2-P Notes in physical form each in minimum initial Note Principal Balance of $100. Registered Holders will hold interests in the Class 1-G Notes in physical form in minimum initial Note Principal Balance of $269,821.34.

The Indenture Trustee may for all purposes (including the making of payments due on the Notes) deal with the Depository as the authorized representative of the Beneficial Owners with respect to the Book-Entry Notes for the purposes of exercising the rights of Holders of such Notes hereunder. Except as provided in the next succeeding paragraph of this Section 4.01, the rights of Beneficial Owners with respect to the Notes shall be limited to those established by law and agreements between such Beneficial Owners and the Depository and Depository Participants. Except as provided in Section 4.09 hereof, Beneficial Owners shall not be entitled to definitive certificates for the Notes as to which they are the Beneficial Owners. Requests and directions from, and votes of, the Depository as Holder of the Notes shall not be deemed inconsistent if they are made with respect to different Beneficial Owners. The Indenture Trustee may establish a reasonable record date in connection with solicitations of consents from or voting by Beneficial Owners and give notice to the Depository of such record date. Except in connection with a Transfer of a Book-Entry in accordance with Section 4.03 hereof, without the consent of the Issuer and the Indenture Trustee, no Note may be transferred by the Depository except to a successor Depository that agrees to hold such Note for the account of the Beneficial Owners.

In the event the Depository Trust Company resigns or is removed as Depository, the Indenture Trustee with the approval of the Issuer may appoint a successor Depository. If no successor Depository has been appointed within 30 days of the effective date of the Depository's resignation or removal, each Beneficial Owner shall be entitled to certificates representing the Notes it beneficially owns in the manner prescribed in Section 4.09.

The Notes shall, on original issue, be executed on behalf of the Issuer by the Owner Trustee, not in its individual capacity but solely as Owner Trustee, authenticated by the Indenture Trustee and delivered by the Indenture Trustee to or upon the order of the Issuer.

Section 4.02 Payment of Principal and Interest.

(1) On each Payment Date, the Interest Funds for Loan Group 1 for such Payment Date shall be allocated by the Indenture Trustee from the Payment Account in the following order of priority:

(i) to the Group 1 Swap Account, the amount of any Group 1 Net Swap Payment and any Group 1 Swap Termination Payment (other than a Group 1 Swap Termination Payment due to a Group 1 Swap Counterparty Trigger Event) payable to the Group 1 Swap Counterparty with respect to such Payment Date;

(ii) sequentially, to the Class 1-A-1 Notes and Class 1-A-2 Notes, in that order, the Current Interest and any Interest Carry Forward Amount for each such Class;

(iii) sequentially, to the Class 1-M-1, Class 1-M-2, Class 1-M-3, Class 1-M-4, Class 1-M-5, Class 1-M-6 and Class 1-B-1 Notes, in that order, the Current Interest for each such Class; and

(iv) any remainder, as part of the Group 1 Excess Cashflow.

(2) On each Payment Date, the Interest Funds for Loan Group 2 for such Payment Date shall be allocated by the Indenture Trustee from the Payment Account in the following order of priority:

(i) to the Group 2 Swap Account, the amount of any Group 2 Net Swap Payment and any Group 2 Swap Termination Payment (other than a Group 2 Swap Termination Payment due to a Group 2 Swap Counterparty Trigger Event) payable to the Group 2 Swap Counterparty with respect to such Payment Date;

(ii) concurrently, to the Class 2-A-1 Notes and Class 2-A-2 Notes, pro rata based on their respective entitlements, the Current Interest and any Interest Carry Forward Amount for each such Class;

(iii) sequentially, to the Class 2-M-1, Class 2-M-2, Class 2-M-3, Class 2-M-4, Class 2-M-5, Class 2-M-6 and Class 2-B-1 Notes, in that order, the Current Interest for each such Class; and

(iv) any remainder, as part of the Group 2 Excess Cashflow.

(3) On each Payment Date, the Principal Distribution Amount for Loan Group 1 for such Payment Date shall be allocated by the Indenture Trustee from the Payment Account in the following order of priority:

(i) with respect to any Payment Date prior to the Group 1 Stepdown Date or on which a Group 1 Trigger Event is in effect:

(A) sequentially, to the Class 1-A-1 Notes and Class 1-A-2 Notes, in that order, in each case until the Note Principal Balance thereof is reduced to zero;

(B) sequentially, to the Class 1-M-1 Notes, Class 1-M-2, Class 1-M-3, Class 1-M-4, Class 1-M-5, Class 1-M-6 and Class 1-B-1 Notes, in that order, in each case until the Note Principal Balance thereof is reduced to zero; and

(C) any remainder, as part of the Group 1 Excess Cashflow.

(ii) with respect to each Payment Date on or after the Group 1 Stepdown Date and as long as a Group 1 Trigger Event is not in effect:

(A) in an amount up to the Class 1-A Principal Distribution Amount, sequentially, to the Class 1-A-1 Notes and Class 1-A-2 Notes, in that order, in each case until the Note Principal Balance thereof is reduced to zero;

(B) sequentially, to the Class 1-M-1 Notes, Class 1-M-2, Class 1-M-3, Class 1-M-4, Class 1-M-5, Class 1-M-6 and Class 1-B-1 Notes, in that order, an amount up to the Group 1 Subordinate Class Principal Distribution Amount for each such Class, until the Note Principal Balance of each such Class is reduced to zero; and

(C) any remainder, as part of the Group 1 Excess Cashflow.

(4) On each Payment Date, the Principal Distribution Amount Loan for Group 2 for such Payment Date shall be allocated by the Indenture Trustee from the Payment Account in the following order of priority:

(i) with respect to any Payment Date prior to the Group 2 Stepdown Date or on which a Group 2 Trigger Event is in effect:

(A) concurrently, to the Class 2-A-1 Notes and Class 2-A-2 Notes, pro rata based on the Note Principal Balances thereof, in each case until the Note Principal Balance thereof is reduced to zero;

(B) sequentially, to the Class 2-M-1 Notes, Class 2-M-2, Class 2-M-3, Class 2-M-4, Class 2-M-5, Class 2-M-6 and Class 2-B-1 Notes, in that order, in each case until the Note Principal Balance thereof is reduced to zero; and

(C) any remainder, as part of the Group 2 Excess Cashflow.

(ii) with respect to each Payment Date on or after the Group 2 Stepdown Date and as long as a Group 2 Trigger Event is not in effect:

(A) in an amount up to the Class 2-A Principal Distribution Amount, concurrently, to the Class 2-A-1 Notes and Class 2-A-2 Notes, pro rata based on the Note Principal Balances thereof, in each case until the Note Principal Balance thereof is reduced to zero;

(B) sequentially, to the Class 2-M-1 Notes, Class 2-M-2, Class 2-M-3, Class 2-M-4, Class 2-M-5, Class 2-M-6 and Class 2-B-1 Notes, in that order, an amount up to the Group 2 Subordinate Class Principal Distribution Amount for each such Class, until the Note Principal Balance of each such Class is reduced to zero; and

(C) any remainder, as part of the Group 2 Excess Cashflow.

(5) With respect to any Payment Date, following the distribution of amounts on deposit in the Group 1 Swap Account as described under Section 4.02(7)(1), any Group 1 Excess Cashflow will be paid to the Group 1 Notes as follows, in each case, to the extent of remaining Group 1 Excess Cashflow:

(i) to the Group 1 Offered Notes, as applicable, in an amount equal to the Group 1 Extra Principal Distribution Amount, payable as part of the related Principal Distribution Amount pursuant to Section 4.02(3) above;

(ii) sequentially, to the Class 1-A-1 Notes and Class 1-A-2 Notes, in that order in an amount equal to any remaining Unpaid Realized Loss Amount for each such Class;

(iii) sequentially, to the Class 1-M-1, Class 1-M-2, Class 1-M-3, Class 1-M-4, Class 1-M-5, Class 1-M-6 and Class 1-B-1 Notes, in that order, in each case, first in an amount equal to any Interest Carry Forward Amount for that Class, and second, in an amount equal to the Unpaid Realized Loss Amount for that Class;

(iv) to the Carryover Reserve Fund and then from the Carryover Reserve Fund to pay concurrently to each Class of Group 1 Offered Notes, on a pro rata basis, based on the Note Principal Balances thereof immediately prior to such Payment Date, to the extent needed to pay any Net Rate Carryover for each such Class; provided that any amounts remaining after such allocation will be distributed concurrently to each such Class of Notes with respect to which there remains any unpaid Net Rate Carryover (after the distribution based on Note Principal Balances), pro rata, based on the amount of such unpaid Net Rate Carryover, until reduced to zero;

(v) to the Group 1 Swap Account, any Group 1 Swap Termination Payment due to the Group 1 Swap Counterparty as a result of a Group 1 Swap Counterparty Trigger Event;

(vi) to the Class 1-C Notes, the Class 1-C Distribution Amount;

(vii) for federal income tax purposes, the Indenture Trustee shall pay any Net Rate Carryover Amount attributable to Net Deferred Interest to any Class of Group 1 Notes that was allocated an Applied Realized Loss; and

(viii) any remaining Group 1 Excess Cashflow, to the Class 1-R Certificates.

(6) With respect to any Payment Date, following the distribution of amounts on deposit in the Group 2 Swap Account as described under Section 4.02(7)(2), any Group 2 Excess Cashflow will be paid to the applicable Classes of Group 2 Notes as follows, in each case to the extent of remaining Group 2 Excess Cashflow:

(i) to the Group 2 Offered Notes, as applicable, in an amount equal to the Group 2 Extra Principal Distribution Amount, payable as part of the Principal Distribution Amount pursuant to Section 4.02(4) above;

(ii) sequentially, to the Class 2-A-1 Notes and Class 2-A-2 Notes, in that order in an amount equal to any remaining Unpaid Realized Loss Amount for each such Class;

(iii) sequentially, to the Class 2-M-1, Class 2-M-2, Class 2-M-3, Class 2-M-4, Class 2-M-5, Class 2-M-6 and Class 2-B-1 Notes, in that order, in each case, first in an amount equal to any remaining Interest Carry Forward Amount for that Class, and second, in an amount equal to any Unpaid Realized Loss Amount for that Class;

(iv) to the Carryover Reserve Fund and then from the Carryover Reserve Fund to pay concurrently to each Class of Group 2 Offered Notes, on a pro rata basis, based on the Note Principal Balances thereof immediately prior to such Payment Date, to the extent needed to pay any remaining Net Rate Carryover for each such Class; provided that any amounts remaining after such allocation will be paid concurrently to each such Class of Notes with respect to which there remains any unpaid Net Rate Carryover (after the distribution based on Note Principal Balances), pro rata, based on the amount of such unpaid Net Rate Carryover, until reduced to zero;

(v) to the Group 2 Swap Account, any Group 2 Swap Termination Payment due to the Group 2 Swap Counterparty as a result of a Group 2 Swap Counterparty Trigger Event;

(vi) to the Class 2-C Notes, the Class 2-C Distribution Amount; and

(vii) any remaining Group 2 Excess Cashflow, to the Class 2-R Certificates.

(7) (1) On each Payment Date on or prior to the Group 1 Swap Contract Termination Date, following the deposits to the Group 1 Swap Account pursuant to Section 4.02(1)(i) and prior to the distributions described under Section 4.02(5), the Indenture Trustee shall distribute amounts paid by or on behalf of the Swap Contract Administrator and on deposit in the Group 1 Swap Account in the following amounts and order:

(i) to the Swap Contract Administrator for payment to the Group 1 Swap Counterparty, any Group 1 Net Swap Payment payable to the Group 1 Swap Counterparty with respect to such Payment Date;

(ii) to the Swap Contract Administrator for payment to the Group 1 Swap Counterparty, any Group 1 Swap Termination Payment (other than a Group 1 Swap Termination Payment due to a Group 1 Swap Counterparty Trigger Event) payable to the Group 1 Swap Counterparty with respect to such Payment Date;

(iii) sequentially, to the Class 1-A-1 Notes and Class 1-A-2 Notes, in that order, any remaining Current Interest and any Interest Carry Forward Amount for each such Class and that Payment Date;

(iv) sequentially, to the Class 1-M-1, Class 1-M-2, Class 1-M-3 and Class 1-M-4 Notes, in that order, in each case an amount equal to any remaining Current Interest and Interest Carry Forward Amount due for such Class and that Payment Date;

(v) to the Class or Classes of Group 1 Offered Notes then entitled to receive distributions in respect of principal, an aggregate amount equal to the Group 1 Overcollateralization Deficiency Amount, payable to each such Class as principal in the same manner in which the Group 1 Extra Principal Distribution Amount would be distributed to such Classes as described under Section 4.02(5);

(vi) to each Class of Group 1 Adjustable Rate Notes, on a pro rata basis, based on the Note Principal Balances thereof, to the extent needed to pay any Net Rate Carryover for each such Class; provided that any amounts remaining after such allocation will be distributed to each such Class of Notes with respect to which there remains any unpaid Net Rate Carryover (after the distribution based on Note Principal Balances), pro rata, based on the amount of such unpaid Net Rate Carryover, until reduced to zero;

(vii) sequentially, to the Class 1-A-1 Notes and Class 1-A-2 Notes, in that order, the Unpaid Realized Loss Amount for each such Class and that Payment Date; and

(viii) sequentially, to the Class 1-M-1, Class 1-M-2, Class 1-M-3 and Class 1-M-4 Notes, in that order, in each case in an amount equal to the Unpaid Realized Loss Amount for such Class and that Payment Date.

(2) On each Payment Date on or prior to the Group 2 Swap Contract Termination Date, following the deposits to the Group 2 Swap Account pursuant to Section 4.02(2)(i) and prior to the distributions described under Section 4.02(6), the Indenture Trustee shall distribute amounts paid by or on behalf of the Swap Contract Administrator and on deposit in the Group 2 Swap Account in the following amounts and order:

(i) to the Swap Contract Administrator for payment to the Group 2 Swap Counterparty, any Group 2 Net Swap Payment payable to the Group 2 Swap Counterparty with respect to such Payment Date;

(ii) to the Swap Contract Administrator for payment to the Group 2 Swap Counterparty, any Group 2 Swap Termination Payment (other than a Group 2 Swap Termination Payment due to a Group 2 Swap Counterparty Trigger Event) payable to the Group 2 Swap Counterparty with respect to such Payment Date;

(iii) concurrently, to the Class 2-A-1 Notes and Class 2-A-2 Notes, pro rata based on their respective entitlements, any remaining Current Interest and any Interest Carry Forward Amount for each such Class and that Payment Date;

(iv) sequentially, to the Class 2-M-1, Class 2-M-2, Class 2-M-3 and Class 2-M-4 Notes, in that order, in each case an amount equal to any remaining Current Interest and Interest Carry Forward Amount due for such Class and that Payment Date;

(v) to the Class or Classes of Group 2 Offered Notes then entitled to receive distributions in respect of principal, an aggregate amount equal to the Group 2 Overcollateralization Deficiency Amount, payable to each such Class as principal in the same manner in which the Group 2 Extra Principal Distribution Amount would be distributed to such Classes as described under Section 4.02(6);

(vi) to each Class of Group 2 Adjustable Rate Notes, on a pro rata basis, based on the Note Principal Balances thereof, to the extent needed to pay any Net Rate Carryover for each such class; provided that any amounts remaining after such allocation will be distributed to each such class of Notes with respect to which there remains any unpaid Net Rate Carryover (after the distribution based on Note Principal Balances), pro rata, based on the amount of such unpaid Net Rate Carryover, until reduced to zero;

(vii) sequentially, to the Class 2-A-1 Notes and Class 2-A-2 Notes, in that order, the Unpaid Realized Loss Amount for each such Class and that Payment Date; and

(viii) sequentially, to the Class 2-M-1, Class 2-M-2, Class 2-M-3 and Class 2-M-4 Notes, in that order, in each case in an amount equal to the Unpaid Realized Loss Amount for such Class and that Payment Date.

(8) To the extent that a Class of Offered Notes receives interest in excess of the Net Rate Cap, such interest shall be treated as having been paid to the Carryover Reserve Fund and then paid by the Carryover Reserve Fund to such Noteholders. For purposes of the Code, amounts deemed deposited in the Carryover Reserve Fund pursuant to this clause shall be deemed to have been distributed first to the Class C Interest, and then with respect to the Class C Noteholders.

(9) On each Payment Date, all Prepayment Charges on the Group 1 Loans and related Master Servicer Prepayment Charge Payment Amounts shall be paid to the Class 1-P Notes. On each Payment Date, all Prepayment Charges on the Group 2 Loans and related Master Servicer Prepayment Charge Payment Amounts shall be paid to the Class 2-P Notes. On the earliest of (x) the Payment Date on which all remaining Group 1 Loans and related REO Properties in the Trust are purchased in accordance with Section 8.07 hereof and (y) the Payment Date immediately following the Prepayment Period during which the last Prepayment Charge on the Group 1 Loans is payable by the related Mortgagor, the Master Servicer shall instruct the Indenture Trustee to pay $100 from the Class P Distribution Account to the Class 1-P Notes in reduction of its Note Principal Balance prior to making any distributions on the Class 1-R Certificate for such Payment Date. On the earliest of (x) the Payment Date on which all remaining Group 2 Loans and related REO Properties in the Trust are purchased in accordance with Section 8.07 hereof and (y) the Payment Date immediately following the Prepayment Period during which the last Prepayment Charge on the Group 2 Loans is payable by the related Mortgagor, the Master Servicer shall instruct the Indenture Trustee to pay $100 from the Class P Distribution Account to the Class 2-P Notes in reduction of its Note Principal Balance prior to making any distributions on the Class 2-R Certificate for such Payment Date.

(10) On each Payment Date, the Class 1-G Notes shall be entitled to any Arrearages collected on any Group 1 Loans during the related Due Period in reduction of the Note Principal Balance of the Class 1-G Notes, until the Note Principal Balance thereof has been reduced to zero.

(11) [reserved].

(12) [reserved].

(13) (1) On each Payment Date, the Indenture Trustee shall allocate the amount of the Subsequent Recoveries, if any, to increase the Note Principal Balances of the Group 1 Offered Notes to which Applied Realized Loss Amounts have been previously allocated in the following order:

(i) to the Class 1-A-1, Notes, but not by more than the amount of the Unpaid Realized Loss Amount on the Class 1-A-1 Notes;

(ii) to the Class 1-A-2, Notes, but not by more than the amount of the Unpaid Realized Loss Amount on the Class 1-A-2 Notes;

(iii) to the Class 1-M-1 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 1-M-1 Notes;

(iv) to the Class 1-M-2 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 1-M-2 Notes;

(v) to the Class M-3 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class M-3 Notes;

(vi) to the Class 1-M-4 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 1-M-4 Notes;

(vii) to the Class 1-M-5 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 1-M-5 Notes;

(viii) to the Class 1-M-6 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 1-M-6 Notes; and

(ix) to the Class 1-B-1 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 1-B-1 Notes.

(2) On each Payment Date, the Indenture Trustee shall allocate the amount of the Subsequent Recoveries, if any, to increase the Note Principal Balances of the Group 2 Offered Notes to which Applied Realized Loss Amounts have been previously allocated in the following order:

(i) to the Class 2-A-1, Notes, but not by more than the amount of the Unpaid Realized Loss Amount on the Class 2-A-1 Notes;

(ii) to the Class 2-A-2, Notes, but not by more than the amount of the Unpaid Realized Loss Amount on the Class 2-A-2 Notes;

(iii) to the Class 2-M-1 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 2-M-1 Notes;

(iv) to the Class 2-M-2 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 2-M-2 Notes;

(v) to the Class M-3 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class M-3 Notes;

(vi) to the Class 2-M-4 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 2-M-4 Notes;

(vii) to the Class 2-M-5 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 2-M-5 Notes;

(viii) to the Class 2-M-6 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 2-M-6 Notes; and

(ix) to the Class 2-B-1 Notes, but not by more than the amount of the Unpaid Realized Loss Amount of the Class 2-B-1 Notes.

(14) Subject to Section 9.02 of the Sale and Servicing Agreement respecting the final distribution, on each Payment Date the Indenture Trustee shall make distributions to each Noteholder of record on the preceding Record Date either by wire transfer in immediately available funds to the account of such holder at a bank or other entity having appropriate facilities therefor, if (i) such Holder has so notified the Indenture Trustee at least 5 Business Days prior to the related Record Date and (ii) such Holder shall hold Regular Notes with aggregate principal denominations of not less than $1,000,000 or evidencing a Percentage Interest aggregating 10% or more with respect to such Class or, if not, by check mailed by first class mail to such Noteholder at the address of such holder appearing in the Note Register. Notwithstanding the foregoing, but subject to Section 9.02 of the Sale and Servicing Agreement respecting the final distribution, distributions with respect to Notes registered in the name of a Depository shall be made to such Depository in immediately available funds.

(15) On or before 5:00 p.m. Pacific time on the fifth Business Day following each Determination Date (but in no event later than 5:00 p.m. Pacific time on the third Business Day before the related Payment Date), the Master Servicer shall deliver a report to the Indenture Trustee (in the form of a computer readable magnetic tape or by such other means as the Master Servicer and the Indenture Trustee may agree from time to time) containing such data and information as agreed to by the Master Servicer and the Trustee such as to permit the Indenture Trustee to prepare the Monthly Statement to Noteholders and make the required distributions for the related Payment Date (the "Remittance Report"). The Indenture Trustee shall, not later than 9:00 a.m. Pacific time on the Master Servicer Advance Date, other than any Master Servicer Advance Date relating to any Payment Date on which the proceeds of any Optional Termination are being distributed, (i) furnish by telecopy a statement to the Master Servicer (the information in such statement to be made available to Noteholders by the Indenture Trustee on request) setting forth the Interest Remittance Amount for each Loan Group and Principal Remittance Amount for each Loan Group for such Payment Date and the amount to be withdrawn from each Note Account and (ii) determine (and notify the Master Servicer by telecopy of the results of such determination) the amount of Advances to be made by the Master Servicer in respect of the related Payment Date; provided that no Advance shall be made if it would be a Nonrecoverable Advance; provided further that any failure by the Indenture Trustee to notify the Master Servicer will not relieve the Master Servicer from any obligation to make any such Advances. The

Indenture Trustee shall not be responsible to recompute, recalculate or verify information provided to it by the Master Servicer and shall be permitted to conclusively rely on any information provided to it by the Master Servicer.

Section 4.03 Registration of and Limitations on Transfer and Exchange of Notes; Appointment of Note Registrar and Certificate Registrar.

(1) The Issuer shall cause to be kept at the Corporate Trust Office a Note Register in which, subject to such reasonable regulations as it may prescribe, the Note Registrar shall provide for the registration of Notes and of transfers and exchanges of Notes as herein provided.

Subject to the restrictions and limitations set forth below, upon surrender for registration of transfer of any Note at the Corporate Trust Office, the Issuer shall execute and the Note Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes in authorized initial Note Principal Balances evidencing the same Class and aggregate Percentage Interests.

Subject to the foregoing, at the option of the Noteholders, Notes may be exchanged for other Notes of like tenor and in authorized initial Note Principal Balances evidencing the same Class and aggregate Percentage Interests upon surrender of the Notes to be exchanged at the Corporate Trust Office of the Note Registrar. Whenever any Notes are so surrendered for exchange, the Issuer shall execute and the Indenture Trustee shall authenticate and deliver the Notes which the Noteholder making the exchange is entitled to receive. Each Note presented or surrendered for registration of transfer or exchange shall (if so required by the Note Registrar) be duly endorsed by, or be accompanied by a written instrument of transfer in form reasonably satisfactory to the Note Registrar duly executed by the Holder thereof or his attorney duly authorized in writing with such signature guaranteed by a commercial bank or trust company located or having a correspondent located in the city of New York. Notes delivered upon any such transfer or exchange will evidence the same obligations, and will be entitled to the same rights and privileges, as the Notes surrendered.

No service charge shall be made for any registration of transfer or exchange of Notes, but the Note Registrar shall require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes.

The Issuer hereby appoints the Indenture Trustee as (i) Certificate Registrar to keep at its Corporate Trust Office a Certificate Register pursuant to Section 3.09 of the Trust Agreement 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 thereof pursuant to Section 3.05 of the Trust Agreement and (ii) Note Registrar under this Indenture. The Indenture Trustee hereby accepts such appointments.

(2) Except with respect to the initial transfer of the Notes by the Depositor or its Affiliates, no transfer, sale, pledge or other disposition of any Note 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.

(i) If any such transfer of a Note held by the related transferor or to be held by the related transferee in the form of a Definitive Note is to be made without registration under the Securities Act, then the Indenture Trustee shall refuse to register such transfer unless it receives (and upon receipt, may conclusively rely upon) (i) a certificate from the Noteholder desiring to effect such transfer substantially in the form attached as Exhibit I hereto or such other certification reasonably acceptable to the Indenture Trustee and (ii) a certificate from such Noteholder's prospective transferee substantially in the form attached as Exhibit I, if such transfer is made in reliance upon Rule 144A, hereto or such other certification reasonably acceptable to the Trustee.

(3) No Transfer of a Note shall be made unless such Transfer is made either (1) pursuant to an effective registration statement under the Securities Act or (2) (A) to a QIB or (B) with respect to the Offered Notes only, to an IAI who satisfies the Accredited Investor Suitability Requirements and (ii) pursuant to any applicable state securities laws. In the event that a Transfer is to be made in pursuant to clause (i)(2)(A) or (i)(2)(B) in the preceding sentence, in order to assure compliance with the Securities Act and such state securities laws, the Noteholder desiring to effect such Transfer and such Noteholder's prospective transferee shall (except in connection with any transfer of a Note to an affiliate of the Depositor (either directly or through a nominee) in connection with the initial issuance of the Notes) each certify to the Indenture Trustee in writing the facts surrounding the Transfer in by delivering (i) a letter in substantially the form of either Exhibit J (the "Investment Letter"), in the case of a transfer to an IAI, or Exhibit I (the "Rule 144A Letter"), in the case of a transfer to a QIB or (ii) there shall be delivered to the Indenture Trustee at the expense of the Noteholder desiring to effect such transfer an Opinion of Counsel that such Transfer may be made pursuant to an exemption from the Securities Act. The Depositor shall provide to any Holder of a Note and any prospective transferee designated by any such Holder, information regarding the related Notes and the Mortgage Loans and such other information as shall be necessary to satisfy the condition to eligibility set forth in Rule 144A(d)(4) for transfer of any such Note without registration thereof under the Securities Act pursuant to the registration exemption provided by Rule 144A. The Indenture Trustee and the Master Servicer shall cooperate with the Depositor in providing the Rule 144A information referenced in the preceding sentence, including providing to the Depositor such information regarding the Notes, the Mortgage Loans and other matters regarding the Trust as the Depositor shall reasonably request to meet its obligation under the preceding sentence. Each Holder of a Note desiring to effect such Transfer shall, and does hereby agree to, indemnify the Indenture Trustee, the Depositor, the Trust, the Seller and the Master 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.

If any such transfer of an Offered Note held by the related transferor and also to be held by the related transferee in the form of a Book-Entry Note is to be made without registration under the Securities Act, the transferor and transferee each will be deemed to have made as of the transfer date each of the representations and warranties set forth on Exhibit I hereto in respect of such Note and the transferee will be deemed to have made as of the transfer date each of the representations and warranties set forth on Exhibit I hereto in respect of such Offered Note.

No transfer of any Offered Note that is a Book-Entry Note or interest therein shall be made by any Note Owner except (A) in the case of a Transfer to a QIB, (1) in the manner set

forth in the preceding paragraph or (2) in the manner set forth in the second preceding paragraph and in the form of a Definitive Note or (B) in the case of a Transfer to an IAI, in the manner set forth in the second preceding paragraph and in the form of a Definitive Note.

If any Note Owner that is required under this Section 4.03(b) to transfer its Book-Entry Note in the form of a Definitive Note, (i) notifies the Indenture Trustee of such transfer or exchange, (ii) delivers an executed Investment Letter or Rule 144A Letter, as applicable, to the Indenture Trustee and (iii) transfers such Book-Entry Note to the Indenture Trustee, through the book-entry facilities of the Depository, then the Indenture Trustee shall decrease the balance of such Book-Entry Note or, the Indenture Trustee shall use reasonable efforts to cause the surrender to the Note Registrar of such Book-Entry Note by the Depository, and thereupon, the Indenture Trustee shall execute, authenticate and deliver to such transferee or its designee one or more Definitive Notes in authorized denominations and with a like aggregate principal amount.

Subject to the provisions of this Section 4.03(b) governing registration of transfer and exchange, Offered Notes (i) held as Definitive Notes may be transferred in the form of Book-Entry Notes in reliance on Rule 144A under the 1933 Act to one or more QIBs that are acquiring such Definitive Notes for their own accounts or for the accounts of other QIB's and (ii) held as Definitive Notes by a QIB for its own account or for the account of another QIB may be exchanged for Book-Entry Notes, in each case upon surrender of such Offered Note for registration of transfer or exchange at the offices of the Indenture Trustee maintained for such purpose. Whenever any such Offered Notes are so surrendered for transfer or exchange, either the Indenture Trustee shall increase the balance of the related Book-Entry Notes or the Indenture Trustee shall execute, authenticate and deliver the Book-Entry Notes for which such Offered Notes were transferred or exchanged, as necessary and appropriate. No Holder of Definitive Notes other than a QIB holding such Notes for its own account or for the account of another QIB may exchange such Offered Notes for Book-Entry Notes. Further, any Note Owner of a Book-Entry Note other than any such QIB shall notify the Indenture Trustee of its status as such and shall transfer such Book-Entry Note to the Indenture Trustee, through the book-entry facilities of the Depository, whereupon, and also upon surrender to the Indenture Trustee of such Book-Entry Note by the Depository, (which surrender the Indenture Trustee shall use reasonable efforts to cause to occur), the Indenture Trustee shall execute, authenticate and deliver to such Note Owner or such Note Owner's nominee one or more Definitive Notes in authorized denominations and with a like aggregate principal amount.

No Transfer of a Non-Offered Note shall be made to a transferee unless such transferee holds such Note in the form of a Definitive Note.

Section 4.04 Mutilated, Destroyed, Lost or Stolen Notes. If (i) any mutilated Note is surrendered to the Indenture Trustee, or the Indenture Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Indenture Trustee such security or indemnity as may be required by it to hold the Issuer and the Indenture Trustee harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Indenture Trustee that such Note has been acquired by a bona fide purchaser, and provided that the requirements of Section 8-405 of the UCC are met, the Issuer shall execute, and upon its request the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note; *provided, however*, that if any such destroyed, lost or

stolen Note, but not a mutilated Note, shall have become or within seven days shall be due and payable, instead of issuing a replacement Note, the Issuer may pay such destroyed, lost or stolen Note when so due or payable without surrender thereof. If, after the delivery of such replacement Note or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer and the Indenture Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assignee of such Person, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

Upon the issuance of any replacement Note under this Section 4.04, the Issuer may require the payment by the Holder of such Note of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Indenture Trustee) connected therewith.

Every replacement Note issued pursuant to this Section 4.04 in replacement of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 4.04 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 4.05 Persons Deemed Owners. Prior to due presentment for registration of transfer of any Note, the Issuer, the Indenture Trustee, the Paying Agent and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name any Note is registered (as of the day of determination) as the owner of such Note for the purpose of receiving payments of principal of and interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Indenture Trustee, the Paying Agent nor any agent of the Issuer or the Indenture Trustee shall be affected by notice to the contrary.

Section 4.06 Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly cancelled by the Indenture Trustee. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Indenture Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes cancelled as provided in this Section 4.06, except as expressly permitted by this Indenture. All cancelled Notes may be held or disposed of by the Indenture Trustee in accordance with its standard retention or disposal policy as in effect at the time unless the Issuer shall direct by an Issuer Request that they be destroyed or

returned to it; *provided, however*, that such Issuer Request is timely and the Notes have not been previously disposed of by the Indenture Trustee.

Section 4.07 Book-Entry Notes. The Offered Notes, upon original issuance, will be issued in the form of typewritten Notes to be delivered to the Indenture Trustee as Custodian for the Depository. The Notes, other than any Notes transferred to an Institutional Accredited Investor that satisfies the Accredited Investor Suitability Requirements that is not a Qualified Institutional Buyer, shall initially be registered on the Note Register in the name of Cede & Co., the nominee of the Depository, and no Beneficial Owner will receive a Definitive Note representing such Beneficial Owner's interest in such Note, except as provided in Section 4.09. With respect to such Notes, unless and until definitive, fully registered Notes (the "Definitive Notes") have been issued to Beneficial Owners pursuant to Section 4.09 or in connection with a Transfer made in accordance with Section 4.03 hereof:

(i) the provisions of this Section 4.07 shall be in full force and effect;

(ii) the Note Registrar, the Paying Agent and the Indenture Trustee shall be entitled to deal with the Depository for all purposes of this Indenture (including the payment of principal of and interest on the Notes and the giving of instructions or directions hereunder) as the sole holder of the Notes, and shall have no obligation to the Beneficial Owners of the Notes;

(iii) to the extent that the provisions of this Section 4.07 conflict with any other provisions of this Indenture, the provisions of this Section 4.07 shall control;

(iv) the rights of Beneficial Owners shall be exercised only through the Depository and shall be limited to those established by law and agreements between such Owners of Notes and the Depository and/or the Depository Participants. Unless and until Definitive Notes are issued pursuant to Section 4.09, the initial Depository will make book-entry transfers among the Depository Participants and receive and transmit payments of principal of and interest on the Notes to such Depository Participants; and

(v) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders of Notes evidencing a specified percentage of the Note Principal Balances of the Notes, the Depository shall be deemed to represent such percentage with respect to the Notes only to the extent that it has received instructions to such effect from Beneficial Owners and/or Depository Participants owning or representing, respectively, such required percentage of the beneficial interest in the Notes and has delivered such instructions to the Indenture Trustee.

Section 4.08 Notices to Depository. Whenever a notice or other communication to the NoteHolders who are Beneficial Owners is required under this Indenture, unless and until Definitive Notes shall have been issued to Beneficial Owners pursuant to Section 4.09, the Indenture Trustee shall give all such notices and communications specified herein to be given to Holders of the Notes to the Depository, and shall have no obligation to the Beneficial Owners.

Section 4.09 Definitive Notes. If (i) the Depository notifies the Issuer that it is no longer willing or able to properly discharge its responsibilities with respect to the Book-Entry

Notes or (ii) after the occurrence of an Event of Default, Beneficial Owners of the related Notes representing beneficial interests aggregating at least a majority of the Note Principal Balances of the related Offered Notes advise the Depository in writing that the continuation of a book-entry system through the Depository is no longer in the best interests of the Beneficial Owners, then the Depository shall notify all Beneficial Owners and the Indenture Trustee of the occurrence of any such event and of the availability of Definitive Notes to Beneficial Owners requesting the same. Upon surrender to the Indenture Trustee of any such Note representing the Book-Entry Notes by the Depository, accompanied by registration instructions, the Issuer shall execute and the Indenture Trustee shall authenticate the Definitive Notes in accordance with the instructions of the Depository. None of the Issuer, the Note Registrar or the Indenture 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 Notes to the related former Beneficial Owners, the Indenture Trustee shall recognize the Holders of such Definitive Notes as Noteholders. Notwithstanding the foregoing, Definitive Notes may be issued by the Indenture Trustee in connection with any Transfer made in accordance with and to the extent required by Section 4.03 hereof.

Section 4.10 [Reserved].

Section 4.11 Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect with respect to the Notes in each Note Group except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or stolen Notes, (iii) rights of Noteholders to receive payments of principal thereof and interest thereon, (iv) Sections 3.03, 3.04, 3.06, 3.09, 3.17, 3.19 and 3.20, (v) the rights, obligations and immunities of the Indenture Trustee hereunder (including the rights of the Indenture Trustee under Section 6.08 and the obligations of the Indenture Trustee under Section 4.12) and (vi) the rights of Noteholders as beneficiaries hereof with respect to the property so deposited with the Indenture Trustee payable to all or any of them, and the Indenture Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Notes in each Note Group and shall release and deliver the Collateral relating to such Note Group to or upon the order of the Issuer, when

(A) either

(1) all Notes in such Note Group theretofore authenticated and delivered (other than (i) Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 4.02 hereof and (ii) Notes in such Note Group for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 3.03) have been delivered to the Indenture Trustee for cancellation; or

(2) all Notes in such Note Group not theretofore delivered to the Indenture Trustee for cancellation

a. have become due and payable,

b. will become due and payable at the Maturity Date within one year, or

c. have been called for early redemption and the Trust has been terminated pursuant to Section 9.01 of the Sale and Servicing Agreement,

and the Issuer, in the case of a. or b. above, has irrevocably deposited or caused to be irrevocably deposited with the Indenture Trustee cash or direct obligations of or obligations guaranteed by the United States of America (which will mature prior to the date such amounts are payable), in trust for such purpose, in an amount sufficient to pay and discharge the entire indebtedness on such Notes then outstanding not theretofore delivered to the Indenture Trustee for cancellation when due on the Maturity Date or other final Payment Date and has delivered to the Indenture Trustee a verification report from a nationally recognized accounting firm certifying that the amounts deposited with the Indenture Trustee are sufficient to pay and discharge the entire indebtedness of such Notes, or, in the case of c. above, the Issuer shall have complied with all requirements of Section 9.01 of the Sale and Servicing Agreement,

(B) the Issuer has paid or caused to be paid all other sums payable hereunder; and

(C) the Issuer has delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, each meeting the applicable requirements of Section 11.01 hereof, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with and, if the Opinion of Counsel relates to a deposit made in connection with Section 4.10(A)(2)b. above, such opinion shall further be to the effect that such deposit will constitute an "in-substance defeasance" within the meaning of Revenue Ruling 85-42, 1985-1 C.B. 36, and in accordance therewith, the Issuer will be the owner of the assets deposited in trust for federal income tax purposes.

Section 4.12 Application of Trust Money. All monies deposited with the Indenture Trustee pursuant to Section 4.11 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent or the Issuer, Certificate Paying Agent as designee of the Issuer, as the Indenture Trustee may determine, to the Holders of Notes, of all sums due and to become due thereon for principal and interest or otherwise; but such monies need not be segregated from other funds except to the extent required herein or required by law.

Section 4.13 Tax Treatment. For federal income tax purposes, the Notes (exclusive of any right to receive payments from the Carryover Reserve Fund) will be treated as regular interests in a REMIC. The Indenture Trustee shall make or cause to be made REMIC elections for each of REMIC I-A, REMIC I-B, REMIC I-C, REMIC II-A, REMIC II-B and REMIC II-C as set forth in Article X 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 Notes are issued. The Issuer, by entering into this Indenture, and each Noteholder, by its acceptance of its Note (and each Beneficial Owner by its acceptance of an interest in the applicable Book-Entry Note), agree to

treat the Notes for federal, state and local income, single business and franchise tax purposes as indebtedness of the related REMIC.

Section 4.14 Repayment of Monies Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all monies then held by any Person other than the Indenture Trustee under the provisions of this Indenture with respect to such Notes shall, upon demand of the Issuer, be paid to the Indenture Trustee to be held and applied according to Section 3.05 of the Sale and Servicing Agreement and thereupon such Person shall be released from all further liability with respect to such monies.

Section 4.15 Temporary Notes. Pending the preparation of any Definitive Notes, the Issuer may execute and upon its written direction, the Indenture Trustee may authenticate and make available for delivery, temporary Notes that are printed, lithographed, typewritten, photocopied or otherwise produced, in any denomination, substantially of the tenor of the Definitive Notes in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Notes may determine, as evidenced by their execution of such Notes.

If temporary Notes are issued, the Issuer will cause Definitive Notes to be prepared without unreasonable delay. After the preparation of the Definitive Notes, the temporary Notes shall be exchangeable for Definitive Notes upon surrender of the temporary Notes at the office of the Indenture Trustee in care of DTC Transfer Services, located at 55 Water Street, Jeanette Park Entrance, New York, New York 10041, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Issuer shall execute and the Indenture Trustee shall authenticate and make available for delivery, in exchange therefor, Definitive Notes of authorized denominations and of like tenor, class and aggregate principal amount. Until so exchanged, such temporary Notes shall in all respects be entitled to the same benefits under this Indenture as Definitive Notes.

Section 4.16 Representation Regarding ERISA. By acquiring a Note or interest therein, each Holder of such Note or Beneficial Owner of any such interest will be deemed to represent that either (1) it is not acquiring the Note with Plan Assets or (2) solely in the case of the Offered Notes, (A) the acquisition, holding and transfer of such Note will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (B) the Notes are rated investment grade or better and such person believes that the Notes are properly treated as indebtedness without substantial equity features for purposes of the Department of Labor regulation 29 C.F.R. § 2510.3-101, and agrees to so treat the Notes. Alternatively, regardless of the rating of the Notes, such person may provide the Indenture Trustee and the Owner Trustee with an opinion of counsel satisfactory to the Indenture Trustee, which opinion of counsel will not be at the expense of the Trust, the Issuer, the Seller, any Initial Purchaser, the Owner Trustee, the Indenture Trustee, the Master Servicer or any successor servicer or the Depositor stating that the acquisition, holding and transfer of such Note or interest therein is permissible under applicable law, will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code and will not subject the Issuer, the Seller, the Depositor, any Initial Purchaser, the Trust, or the Indenture Trustee, the Master Servicer or any successor servicer to any obligation in addition to those undertaken in the Indenture or Sale and Servicing Agreement.

Section 4.17 Carryover Reserve Fund.

(1) On the Closing Date, the Indenture Trustee shall establish and maintain in its name, in trust for the benefit of the Holders of the Offered Notes, the Carryover Reserve Fund. The Carryover 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 moneys, including without limitation, other moneys held by the Indenture Trustee pursuant to this Agreement.

(2) On each Payment Date, to the extent required, the Indenture Trustee shall make withdrawals from the Carryover Reserve Fund and use the amounts therein to make payments to the related Offered Notes. On each Payment Date, (i) with respect to any amounts received from Group 1 Excess Cashflow on that Payment Date, the Indenture Trustee shall make payments to the Holders of the Group 1 Offered Notes in an amount equal to the amount of any Net Rate Carryover Amount on the Group 1 Offered Notes as provided in Section 4.02(5)(iv), and the remainder shall be distributed to the Class 1-C Notes and (ii) with respect to any amounts received from Group 2 Excess Cashflow on that Payment Date, the Indenture Trustee shall make payments to the Holders of the Group 2 Offered Notes in an amount equal to the amount of any Net Rate Carryover Amount on the Group 2 Offered Notes as provided in Section 4.02(6)(iv), and the remainder shall be distributed to the Class 2-C Notes.

(3) Funds in the Carryover Reserve Fund may be invested in Permitted Investments at the written direction of the Majority Holder of the related Class of Class C Notes, which Permitted Investments shall mature not late than the Business Day immediately preceding the first Payment Date that follows the date of such investment (except that if such Permitted Investment is an obligation of the institution that maintains the Carryover Reserve Fund, then such Permitted Investment shall mature not later than such Payment Date) and shall not be sold or disposed of prior to maturity. All such Permitted Investments shall be made in the name of the Indenture Trustee, for the benefit of the applicable Noteholders. In the absence of such written direction, all funds in the Carryover Reserve Fund shall be invested by the Indenture Trustee in The Bank of New York cash reserves. Any net investment earnings on such amounts (i) in the Carryover Reserve Fund shall be payable to the Holders of the Class 1-C Notes and Class 2-C Notes, in each case in accordance with their Percentage Interests. Any losses incurred in the Carryover Reserve Fund in respect of any such investments shall be charged against amounts on deposit in the Carryover Reserve Fund (or such investments) immediately as realized. The Indenture Trustee shall not be liable for the amount of any loss incurred in respect of any investment or lack of investment of funds held in the Carryover Reserve Fund and made in accordance with this Section 4.17. The Carryover Reserve Fund is an "outside reserve fund" within the meaning of Treasury Regulation §1.860G-2(h) and shall be an asset of the Trust Estate but not an asset of any REMIC.

(4) On the Closing Date, the Seller shall make an initial deposit of $1,000.00 into the Carryover Reserve Fund to be held in trust for the related Noteholders for the uses and purposes set forth in this Agreement.

Section 4.18 Swap Contracts.

(1) The Indenture Trustee, not in its individual capacity but solely in its separate capacity as Swap Contract Administrator, is hereby directed to exercise the rights, perform the obligations, and make any representations to be exercised, performed, or made by the Swap Contract Administrator, as described herein.

(2) The Seller, the Master Servicer, the Depositor and the Group 1 Noteholders (by acceptance of their Notes) acknowledge and agree that:

(i) the Swap Contract Administrator shall exercise the rights, perform the obligations, and make the representations of Party B under the Group 1 Swap Contact and Party B under the Group 2 Swap Contract, as applicable, solely in its capacity as Swap Contract Administrator on behalf of Party B (as defined in the related Swap Contract) and not in its individual capacity, and

(ii) the Indenture Trustee shall also be entitled to exercise the rights and obligated to perform the obligations of Party B under the Group 1 Swap Contract and Party B under the Group 2 Swap Contract, as applicable.

(3) Every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Swap Contract Administrator shall apply to the Swap Contract Administrator's execution of the Group 1 Swap Contract and Group 2 Swap Contract, as applicable, and the performance and satisfaction of the duties and obligations of Party B under the related Swap Contract.

(4) Every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall apply to the Indenture Trustee's performance and satisfaction of the duties and obligations of Party B under the related Swap Contract.

(5) CHL shall cause The Bank of New York to enter into the Swap Contract Administration Agreement and shall assign all of its right, title and interest in and to the interest rate swap transactions evidenced by the Group 1 Swap Contract and Group 2 Swap Contract to, and shall cause all of its obligations in respect of such transactions to be assumed by, the Swap Contract Administrator, on the terms and conditions set forth in the Group 1 Swap Contract Novation Agreement and Group 2 Swap Contract Novation Agreement, as applicable. The Indenture Trustee's rights to receive certain proceeds of the Swap Contract as provided in the Swap Contract Administration Agreement shall be rights of the Indenture Trustee for the benefit of the Group 1 Noteholders and Group 2 Noteholders and shall be an asset of the Trust. The Indenture Trustee shall deposit any amounts received from time to time from the Swap Contract Administrator with respect to the Group 1 Swap Contract or Group 2 Swap Contract, as applicable, into the related Swap Account. The Master Servicer shall deposit any amounts received on behalf of Indenture Trustee from time to time with respect to the Group 1 Swap Contract or Group 2 Swap Contract, as applicable, into the related Swap Account.

(6) On the Business Day preceding each Payment Date, the Indenture Trustee shall notify the Swap Contract Administrator of any amounts:

(i) distributable to the Group 1 Offered Notes pursuant to Section 4.02(7)(1)(iii) through (viii) and that will remain unpaid following all distributions to be made on such Payment Date pursuant to Section 4.02(1) and (2); and

ii) distributable to the Group 2 Offered Notes pursuant to Section 4.02(7)(2)(iii) through (viii) and that will remain unpaid following all distributions to be made on such Payment Date pursuant to Section 4.02(1) and (2).

(7) No later than two Business Days following each Payment Date, the Indenture Trustee shall provide the Swap Contract Administrator with information regarding the aggregate Note Principal Balance of the Group 1 Adjustable Rate Notes and the aggregate Note Principal Balance of the Group 2 Adjustable Rate Notes after all distributions on such Payment Date.

(8) Upon the Swap Contract Administrator obtaining actual knowledge of an S&P Approved Ratings Downgrade Event (as defined in the related Swap Contract) or upon the Swap Contract Administrator obtaining actual knowledge of an S&P Required Ratings Downgrade Event (as defined in the related Swap Contract), the Indenture Trustee shall direct the Swap Contract Administrator to (i) demand payment of the Delivery Amount (as defined in the related ISDA Master Agreement) from the Group 1 Swap Counterparty or Group 2 Swap Counterparty, as applicable, on each Valuation Date (as defined in the related ISDA Master Agreement) and to perform its other obligations in accordance with the related ISDA Master Agreement and (ii) take such other action as may be required under the related ISDA Master Agreement. If a Delivery Amount is demanded, the Swap Contract Administrator, in accordance with the Swap Contract Administration Agreement, shall establish an account to hold cash and other eligible investments pledged under the Group 1 ISDA Master Agreement or Group 2 ISDA Master Agreement, as applicable. Any cash or other Eligible Collateral (as defined in the related ISDA Master Agreement) pledged under the Group 1 ISDA Master Agreement or Group 2 ISDA Master Agreement, as applicable, shall not be part of the Distribution Account or the related Swap Account unless remitted to such accounts by the Swap Contract Administrator in accordance with the Swap Contract Administration Agreement. If Eligible Collateral with a value equal to the Delivery Amount is not delivered to the Swap Contract Administrator by the Group 1 Swap Counterparty or Group 2 Swap Counterparty, as applicable, the Indenture Trustee shall direct the Swap Contract Administrator to notify such Swap Counterparty of such failure.

(9) Upon the Indenture Trustee obtaining actual knowledge of a Failure to Pay or Deliver (as defined in the related ISDA Master Agreement), the Indenture Trustee shall direct the Swap Contract Administrator to demand payment under any guarantor of the Group 1 Swap Counterparty or Group 2 Swap Counterparty, as applicable.

(10) Upon the Indenture Trustee obtaining actual knowledge of an Event of Default (as defined in the related ISDA Master Agreement) or Termination Event (as defined in the related ISDA Master Agreement) for which the Swap Contract Administrator has the right to designate an Early Termination Date (as defined in the related ISDA Master Agreement), the Indenture Trustee shall act at the written direction of the Depositor as to whether to direct the Swap Contract Administrator to designate an Early Termination Date; provided, however, that the Indenture Trustee shall provide written notice to the Rating Agency following the Event of Default or Termination Event. Upon the termination of the Group 1 Swap Contract or Group 2

Swap Contract, as applicable, under the circumstances contemplated by this Section 4.18, the Indenture Trustee shall use its reasonable best efforts to enforce the rights of the Swap Contract Administrator as may be permitted by the terms of the related ISDA Master Agreement and consistent with the terms hereof and CHL shall assist the Swap Contract Administrator in procuring a replacement swap contract with terms approximating those of the related original Swap Contract.

(11) Any Swap Termination Payment received from the Group 1 Swap Counterparty shall be used to pay any upfront amount required under any replacement swap contract and any excess shall be deposited in the Group 1 Swap Account and will be used on future Payment Dates for distributions to the related Group 1 Notes pursuant to Section 4.02(7)(1) herein. In the event that a replacement swap contract cannot be procured, any related Swap Termination Payment received from the Group 1 Swap Counterparty in respect of the termination of the original Group 1 Swap Contract shall, in accordance with the Swap Contract Administration Agreement, be retained by the Swap Contract Administrator and remitted to the Indenture Trustee on subsequent Payment Dates up to and including the Group 1 Swap Contract Termination Date to pay any amounts distributable to the Group 1 Notes pursuant to Section 4.02(7)(1)(iii) through (viii) that will remain unpaid following all distributions to be made on such Distribution Date pursuant to Section 4.02(1) and (2). Any portion of such upfront amount remaining after the Group 1 Swap Contract Termination Date shall be deposited in the Group 1 Swap Account and will be used on future Payment Dates for distributions to the related Group 1 Notes pursuant to Section 4.02(7)(1) herein.

(12) Any Swap Termination Payment received from the Group 2 Swap Counterparty shall be used to pay any upfront amount required under any replacement swap contract and any excess shall be deposited in the Group 2 Swap Account and will be used on future Payment Dates for distributions to the related Group 2 Notes pursuant to Section 4.02(7)(2) herein. In the event that a replacement swap contract cannot be procured, any related Swap Termination Payment received from the Group 2 Swap Counterparty in respect of the termination of the original Group 2 Swap Contract shall, in accordance with the Swap Contract Administration Agreement, be retained by the Swap Contract Administrator and remitted to the Indenture Trustee on subsequent Payment Dates up to and including the Group 2 Swap Contract Termination Date to pay any amounts distributable to the Group 2 Notes pursuant to Section 4.02(7)(2)(iii) through (viii) that will remain unpaid following all distributions to be made on such Distribution Date pursuant to Section 4.02(1) and (2). Any portion of such upfront amount remaining after the Group 2 Swap Contract Termination Date shall be deposited in the Group 2 Swap Account and will be used on future Payment Dates for distributions to the related Group 2 Notes pursuant to Section 4.02(7)(2) herein.

(13) In the event that the swap counterparty in respect of a replacement swap contract pays any upfront amount to the Swap Contract Administrator in connection with entering into the replacement swap contract and such upfront amount is received by the Swap Contract Administrator prior to the Payment Date on which any Group 1 Swap Termination Payment will be payable to the Group 1 Swap Counterparty in respect of the original Group 1 Swap Contract, a portion of that upfront amount equal to the lesser of (x) that upfront amount and (y) the amount of the Group 1 Swap Termination Payment due to the Group 1 Swap Counterparty in respect of the original Group 1 Swap Contract (the "Group 1 Adjusted Replacement Upfront Amount")

shall be included in Interest Funds for that Payment Date, pro rata, based upon their respective Interest Funds for that Payment Date, and any upfront amount in excess of the Group 1 Adjusted Replacement Upfront Amount shall be deposited in the Group 1 Swap Account and will be used on future Payment Dates for distributions to the related Group 1 Notes pursuant to Section 4.02(7)(1) herein. If any upfront amount is paid to the Swap Contract Administrator by the swap counterparty in respect of a replacement swap contract after the Distribution Date on which any Group 1 Swap Termination Payment will be payable to the Group 1 Swap Counterparty in respect of the original Group 1 Swap Contract, such upfront amount shall, in accordance with the Swap Contract Administration Agreement, be retained by the Swap Contract Administrator and remitted to the Indenture Trustee on subsequent Payment Dates up to and including the Group 1 Swap Contract Termination Date to pay any amounts distributable to the related Group 1 Adjustable Rate Notes pursuant to Section 4.02(7)(1)(iii) through (viii) that will remain unpaid following all distributions to be made on such Distribution Date pursuant to Section 4.02(1) and (2).

(14) In the event that the swap counterparty in respect of a replacement swap contract pays any upfront amount to the Swap Contract Administrator in connection with entering into the replacement swap contract and such upfront amount is received by the Swap Contract Administrator prior to the Payment Date on which any Group 2 Swap Termination Payment will be payable to the Group 2 Swap Counterparty in respect of the original Group 2 Swap Contract, a portion of that upfront amount equal to the lesser of (x) that upfront amount and (y) the amount of the Group 2 Swap Termination Payment due to the Group 2 Swap Counterparty in respect of the original Group 2 Swap Contract (the "Group 2 Adjusted Replacement Upfront Amount") shall be included in Interest Funds for that Payment Date, pro rata, based upon their respective Interest Funds for that Payment Date, and any upfront amount in excess of the Group 2 Adjusted Replacement Upfront Amount shall be deposited in the Group 2 Swap Account and will be used on future Payment Dates for distributions to the related Group 2 Notes pursuant to Section 4.02(7)(2) herein. If any upfront amount is paid to the Swap Contract Administrator by the swap counterparty in respect of a replacement swap contract after the Distribution Date on which any Group 2 Swap Termination Payment will be payable to the Group 2 Swap Counterparty in respect of the original Group 2 Swap Contract, such upfront amount shall, in accordance with the Swap Contract Administration Agreement, be retained by the Swap Contract Administrator and remitted to the Indenture Trustee on subsequent Payment Dates up to and including the Group 2 Swap Contract Termination Date to pay any amounts distributable to the related Group 2 Adjustable Rate Notes pursuant to Section 4.02(7)(2)(iii) through (viii) that will remain unpaid following all distributions to be made on such Distribution Date pursuant to Section 4.02(1) and (2).

(15) The Group 1 Swap Counterparty and Group 2 Swap Counterparty shall each be an express third party beneficiary of this Agreement for the purpose of enforcing the provisions hereof to the extent of such Swap Counterparty's rights explicitly specified herein as if a party hereto.

(16) Notwithstanding any contrary provision of this Agreement, no amendment shall adversely affect in any material respect the Group 1 Swap Counterparty or Group 2 Swap Counterparty without at least ten Business Days' prior notice to such affected Swap Counterparty and without the prior written consent of such Swap Counterparty, which consent

shall not be unreasonably withheld. CHL shall provide the Group 1 Swap Counterparty and Group 2 Swap Counterparty with prior written notice of any proposed material amendment of this Agreement.

ARTICLE V.

DEFAULT AND REMEDIES

Section 5.01 Events of Defaults. The Issuer shall deliver to the Indenture Trustee, within five days after learning of the occurrence of a Group 1 Event of Default, written notice in the form of an Officer's Certificate of any event which with the giving of notice and the lapse of time would become a Group 1 Event of Default under clause (iii), (iv) or (v) of the definition of "Group 1 Event of Default", its status and what action the Issuer is taking or proposes to take with respect thereto. The Issuer shall deliver to the Indenture Trustee, within five days after learning of the occurrence of a Group 2 Event of Default, written notice in the form of an Officer's Certificate of any event which with the giving of notice and the lapse of time would become a Group 2 Event of Default under clause (iii), (iv) or (v) of the definition of "Group 2 Event of Default", its status and what action the Issuer is taking or proposes to take with respect thereto. The Indenture Trustee shall not be deemed to have knowledge of any Event of Default unless a Responsible Officer has actual knowledge thereof or unless written notice of such Event of Default is received by a Responsible Officer and such notice references the Notes, the Trust Estate or this Indenture.

Section 5.02 Acceleration of Maturity; Rescission and Annulment. If an Event of Default should occur and be continuing, then and in every such case the Indenture Trustee at the written direction of the Holders of related Notes representing not less than a majority of the aggregate Note Principal Balance of the related Notes may declare such Notes to be immediately due and payable, by a notice in writing to the Issuer (and to the Indenture Trustee if such notice is given by Noteholders), and upon any such declaration the unpaid Note Principal Balance of the related Notes, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable.

At any time after such declaration of acceleration of maturity with respect to an Event of Default has been made and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article V provided, Holders of the related Notes representing not less than a majority of the aggregate Note Principal Balance of the related Notes, by written notice to the Issuer and the Indenture Trustee, may waive the related Event of Default and rescind and annul such declaration and its consequences if

(i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(A) all payments of principal of and interest on the related Notes and all other amounts that would then be due hereunder or upon the related Notes if the related Event of Default giving rise to such acceleration had not occurred;

(B) with respect to the related Loan Group, all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel; and

(C) all amounts owed to the Group 1 Swap Counterparty and Group 2 Swap Counterparty; and

(ii) the related Events of Default, other than the nonpayment of the principal of the related Notes that has become due solely by such acceleration, have been cured or waived as provided in Section 5.12.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

Section 5.03 Collection of Indebtedness and Suits for Enforcement by Indenture Trustee.

(1) The Issuer covenants that if (i) default is made in the payment of any interest on any Note when the same becomes due and payable, and such default continues for a period of five days, or (ii) default is made in the payment of the principal of or any installment of the principal of any Note when the same becomes due and payable, the Issuer shall, upon demand of the Indenture Trustee, at the direction of the Holders of a majority of the aggregate Note Principal Balances of the Notes in the related Note Group, pay to the Indenture Trustee, for the benefit of the Holders of the related Notes, the whole amount then due and payable on the Notes in that Note Group for principal and interest, with interest at the applicable Note Rate upon the overdue principal, and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel.

(2) In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Indenture Trustee, in its own name and as trustee of an express trust, subject to the provisions of Section 11.16 hereof may institute a Proceeding for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and may enforce the same against the Issuer or other obligor upon the Notes in such Note Group and collect in the manner provided by law out of the property of the Issuer or other obligor the Notes in such Note Group, wherever situated, the monies adjudged or decreed to be payable.

(3) If an Event of Default occurs and is continuing, the Indenture Trustee, subject to the provisions of Section 11.16 hereof may, as more particularly provided in Section 5.04 hereof, in its discretion, proceed to protect and enforce its rights and the rights of the Noteholders, by such appropriate Proceedings, as directed in writing by Holders of a majority of the aggregate Note Principal Balances of the Notes in the related Note Group, to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by this Indenture or by law.

(4) In case there shall be pending, relative to the Issuer or any other obligor upon the Notes or any Person having or claiming an ownership interest in the Trust Estate, Proceedings under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor or Person, or in case of any other

comparable judicial Proceedings relative to the Issuer or other obligor upon the Notes in the related Note Group, or to the creditors or property of the Issuer or such other obligor, the Indenture Trustee, as directed in writing by Holders of a majority of the aggregate Note Principal Balances of the Notes in the related Note Group, irrespective of whether the principal of any such Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such Proceedings or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Notes in the related Note Group and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence or bad faith) and of the Noteholders in the related Note Group allowed in such Proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of Notes in the related Note Group in any election of a trustee, a standby trustee or Person performing similar functions in any such Proceedings;

(iii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Noteholders in the related Note Group and of the Indenture Trustee on their behalf, and

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee or the Holders of Notes in the related Note Group allowed in any judicial proceedings relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such Proceeding is hereby authorized by each of such Noteholders in the related Note Group to make payments to the Indenture Trustee and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Noteholders in the related Note Group, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee.

(5) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes in the related Note Group or the rights of any Holder thereof or to authorize the Indenture Trustee to vote in respect of the claim of any Noteholder in the related Note Group in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(6) All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Indenture Trustee without the possession of any of the Notes or the production thereof in any trial or other Proceedings relative thereto, and any such action or proceedings instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Notes, subject to Section 5.05 hereof.

(7) In any Proceedings brought by the Indenture Trustee (and also any Proceedings involving the interpretation of any provision of this Indenture to which the Indenture Trustee shall be a party), the Indenture Trustee shall be held to represent all the Holders of the Notes in the related Note Group, and it shall not be necessary to make any Noteholder a party to any such Proceedings.

Section 5.04 Remedies; Priorities. (1) If an Event of Default with respect to either Loan Group shall have occurred and be continuing and if an acceleration has been declared and not rescinded pursuant to Section 5.02 hereof, the Indenture Trustee subject to the provisions of Section 11.16 hereof may, and shall, at the written direction of the Holders of a majority of the aggregate Note Principal Balance of the Notes in the related Note Group, do one or more of the following (subject to Section 5.05 hereof):

(i) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes in the related Note Group or under this Indenture with respect thereto, whether by declaration or otherwise, enforce any judgment obtained and collect from the Issuer and any other obligor upon such Notes monies adjudged due;

(ii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Trust Estate relating to such Note Group;

(iii) exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee and the Holders of the Notes in the related Note Group; and

(iv) sell the Trust Estate relating to such Note Group or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by law;

provided, however, that the Indenture Trustee may not sell or otherwise liquidate the Trust Estate relating to a Loan Group following an Event of Default relating to such Loan Group, unless (A) the Indenture Trustee obtains the consent of the Holders of 100% of the aggregate Note Principal Balance of the Notes in the related Note Group, (B) the proceeds of such sale or liquidation distributable to the Holders of the Notes the Holders of 100% of the aggregate Note Principal Balance of the Notes in are sufficient to discharge in full all amounts then due and unpaid upon such Notes for principal and interest or (C) the Indenture Trustee determines that the Mortgage Loans in the related Loan Group will not continue to provide sufficient funds for the payment of

principal of and interest on the applicable Notes as they would have become due if the Notes had not been declared due and payable, and the Indenture Trustee obtains the consent of the Holders of 66 2/3% of the aggregate Note Principal Balance of the Notes in the related Note Group. In determining such sufficiency or insufficiency with respect to clause (B) and (C), the Indenture Trustee may, but need not, obtain and rely upon an opinion (obtained at the expense of the Trust) of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate relating to such Loan Group for such purpose. Notwithstanding the foregoing, so long as an Event of Default relating to such Loan Group under the Sale and Servicing Agreement has not occurred, any Sale of the Trust Estate relating to a Loan Group shall be made subject to the continued servicing of the related Mortgage Loans by the Master Servicer as provided in the Sale and Servicing Agreement.

(2) If the Indenture Trustee collects any money or property with respect to Loan Group 1 pursuant to this Article V, it shall pay out the money or property in the following order:

FIRST: to the Indenture Trustee for amounts due under Section 6.07 hereof or the Sale and Servicing Agreement and to the Master Servicer for amounts due under the Sale and Servicing Agreement;

SECOND: to the Group 1 Swap Counterparty, any amounts owed under the Group 1 Swap Contract;

THIRD: to the Group 1 Noteholders for amounts due and unpaid on the Group 1 Offered Notes with respect to interest (not including any Interest Carry-Forward Amounts), first, to the Class 1-A-1 Noteholders, second, to the Class 1-A-2 Noteholders, third, to the Class 1-M-1 Noteholders, fourth, to the Class 1-M-2 Noteholders, fifth, to the Class 1-M-3 Noteholders, sixth, to the Class 1-M-4 Noteholders, seventh, to the Class 1-M-5 Noteholders, eighth, to the Class 1-M-6 Noteholders, and ninth, to the Class 1-B-1 Noteholders, according to the amounts due and payable on the Notes for interest;

FOURTH: to the Group 1 Noteholders for amounts due and unpaid on the Notes with respect to principal, and to each Noteholder ratably, without preference or priority of any kind, according to the amounts due and payable on such Notes for principal, until the Note Principal Balance of each such Class is reduced to zero;

FIFTH: to the Group 1 Noteholders, first, to the Class 1-A-1 Noteholders, second, to the Class 1-A-2 Noteholders, third, to the Class 1-M-1 Noteholders, fourth, to the Class 1-M-2 Noteholders, fifth, to the Class 1-M-3 Noteholders, sixth, to the Class 1-M-4 Noteholders, seventh, to the Class 1-M-5 Noteholders, eighth, to the Class 1-M-6 Noteholders, and ninth, to the Class 1-B-1 Noteholders, the amount of any related Unpaid Realized Loss Amount not previously paid;

SIXTH: to the Group 1 Noteholders for amounts due and unpaid on the Notes with respect to any related Interest Carry-Forward Amounts, first, to the Class 1-A-1 Noteholders, second, to the Class 1-A-2 Noteholders, third, to the Class 1-M-1 Noteholders, fourth, to the Class 1-M-2 Noteholders, fifth, to the Class 1-M-3

Noteholders, sixth, to the Class 1-M-4 Noteholders, seventh, to the Class 1-M-5 Noteholders, eighth, to the Class 1-M-6 Noteholders, and ninth, to the Class 1-B-1 Noteholders, according to the amounts due and payable on the Notes with respect thereto, from amounts available in the Trust Estate for the Noteholders; and

SEVENTH: to the payment of the remainder, if any to the holder of the Class 1-R Certificate on behalf of the Issuer or to any other person legally entitled thereto.

(3) If the Indenture Trustee collects any money or property with respect to Group 2 Loans pursuant to this Article V, it shall pay out the money or property in the following order:

FIRST: to the Indenture Trustee for amounts due under Section 6.07 hereof or the Sale and Servicing Agreement and to the Master Servicer for amounts due under the Sale and Servicing Agreement;

SECOND: to the Group 2 Swap Counterparty, any amounts owed under the Group 2 Swap Contract;

THIRD: to the Group 2 Noteholders for amounts due and unpaid on the Group 2 Offered Notes with respect to interest (not including any Interest Carry-Forward Amounts), first, concurrently, to the Class 2-A-1 Notes and Class 2-A-2 Notes, pro rata, based on their respective entitlements, and second, to the Class 2-M-1 Noteholders, and third, to the Class 2-M-2 Noteholders, and fourth, to the Class 2-M-3 Noteholders, and fifth, to the Class 2-M-4 Noteholders, and sixth, to the Class 2-M-5 Noteholders, and seventh, to the Class 2-M-6 Noteholders, and eighth, to the Class 2-B-1 Noteholders, according to the amounts due and payable on the Notes for interest;

FOURTH: to the Group 2 Noteholders for amounts due and unpaid on the Notes with respect to principal, and to each Noteholder ratably, without preference or priority of any kind, according to the amounts due and payable on such Notes for principal, until the Note Principal Balance of each such Class is reduced to zero;

FIFTH: to the Group 2 Noteholders, first, to the Class 2-A-1 Noteholders, second, to the Class 2-A-2 Noteholders, third, to the Class 2-M-1 Noteholders, fourth, to the Class 2-M-2 Noteholders, fifth, to the Class 2-M-3 Noteholders, sixth, to the Class 2-M-4 Noteholders, seventh, to the Class 2-M-5 Noteholders, eighth, to the Class 2-M-6 Noteholders, and ninth, to the Class 2-B-1 Noteholders, the amount of any related Unpaid Realized Loss Amount not previously paid;

SIXTH: to the Group 2 Noteholders for amounts due and unpaid on the Notes with respect to any related Interest Carry-Forward Amounts, first, concurrently, to the Class 2-A-1 Notes and Class 2-A-2 Notes, pro rata, based on their respective entitlements, and second, to the Class 2-M-1 Noteholders, and third, to the Class 2-M-2 Noteholders, and fourth, to the Class 2-M-3 Noteholders, and fifth, to the Class 2-M-4 Noteholders, and sixth, to the Class 2-M-5 Noteholders, and seventh, to the Class 2-M-6 Noteholders, and eighth, to the Class 2-B-1 Noteholders, according to the amounts due and payable on the Notes with respect thereto, from amounts available in the Trust Estate for the Noteholders; and

SEVENTH: to the payment of the remainder, if any to the holder of the Class 2-R Certificate on behalf of the Issuer or to any other person legally entitled thereto.

The Indenture Trustee may fix a record date and Payment Date for any payment to Noteholders of a Note Group pursuant to this Section 5.04. At least 15 days before such record date, the Indenture Trustee shall mail to each Noteholder a notice that states the record date, the Payment Date and the amount to be paid.

Section 5.05 Optional Preservation of the Trust Estate. If the Notes in a Note Group have been declared to be due and payable under Section 5.02 following an Event of Default relating to such Note Group and such declaration and its consequences have not been rescinded and annulled, the Indenture Trustee may elect to take and maintain possession of the Trust Estate relating to such Note Group. It is the desire of the parties hereto and the Noteholders that there be at all times sufficient funds for the payment of principal of and interest on the Notes in a Note Group and other obligations of the Issuer and the Indenture Trustee shall take such desire into account when determining whether or not to take and maintain possession of the Trust Estate relating to such Note Group. In determining whether to take and maintain possession of the Trust Estate relating to such Note Group, the Indenture Trustee may, but need not, obtain and rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate relating to such Note Group for such purpose.

Section 5.06 Limitation of Suits. No Holder of any Note in a Note Group shall have any right to institute any Proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless and subject to the provisions of Section 11.16 hereof

(i) such Holder has previously given written notice to the Indenture Trustee of a continuing Event of Default relating to such Note Group;

(ii) the Holders of not less than 25% of the aggregate Note Principal Balance of the Notes relating to such Note Group have made a written request to the Indenture Trustee to institute such Proceeding in respect of such Event of Default in its own name as Indenture Trustee hereunder, on behalf of the related Noteholders;

(iii) such Holder or Holders have offered to the Indenture Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in complying with such request;

(iv) the Indenture Trustee for 60 days after its receipt of such notice of request and offer of indemnity has failed to institute such Proceedings; and

(v) no direction inconsistent with such written request has been given to the Indenture Trustee during such 60-day period by the Holders of a majority of the Note Principal Balances of the Notes relating to such Note Group then Outstanding.

It is understood and intended that no one or more Holders of Notes in a Note Group shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture

to affect, disturb or prejudice the rights of any other Holders of Notes in such Note Group or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided.

Subject to the last paragraph of Section 5.11 herein, in the event the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders of Notes in a Note Group, each representing less than a majority of the Note Principal Balances of the Notes relating to such Note Group, the Indenture Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

Section 5.07 Unconditional Rights of Noteholders To Receive Principal and Interest. Notwithstanding any other provisions in this Indenture, the Holder of any Note in a Note Group shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest, if any, on such Note on or after the respective due dates thereof expressed in such Note or in this Indenture and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

Section 5.08 Restoration of Rights and Remedies. If the Indenture Trustee or any Noteholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee or to such Noteholder, then and in every such case the Issuer, the Indenture Trustee and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the Noteholders shall continue as though no such Proceeding had been instituted.

Section 5.09 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.10 Delay or Omission Not a Waiver. No delay or omission of the Indenture Trustee or any Holder of any Note in a Note Group to exercise any right or remedy accruing upon any Event of Default relating to such Note Group shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Indenture Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Noteholders, as the case may be.

Section 5.11 Control By Noteholders. The Holders of a majority of the aggregate Note Principal Balances of Notes in a Note Group shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee with respect

to the Notes relating to such Note Group or exercising any trust or power conferred on the Indenture Trustee; provided that:

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) any direction to the Indenture Trustee to sell or liquidate the Trust Estate relating to such Note Group shall be by Holders of Notes representing not less than 100% of the Note Principal Balances of the Notes in such Note Group; and

(iii) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with such direction of the Holders of Notes representing a majority of the Note Principal Balances of the Notes in such Note Group.

Notwithstanding the rights of Noteholders set forth in this Section 5.11 the Indenture Trustee need not take any action that it determines might involve it in liability.

Section 5.12 Waiver of Past Defaults. Prior to the declaration of the acceleration of the maturity of the Notes of a Note Group as provided in Section 5.02 hereof, the Holders of Notes representing not less than a majority of the aggregate Note Principal Balance of the Notes relating to such Note Group may waive any past Event of Default and its consequences except an Event of Default (a) with respect to payment of principal of or interest on any of the Notes relating to such Note Group or (b) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Note relating to such Note Group. In the case of any such waiver, the Issuer, the Indenture Trustee and the Holders of the Notes relating to such Note Group shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereto.

Upon any such waiver, any Event of Default relating to such Note Group arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereto.

Section 5.13 Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note and each Beneficial Owner of any interest therein by such Holder's or Beneficial Owner's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.13 shall not apply to (a) any suit instituted by the Indenture Trustee, (b) any suit instituted by any Noteholder, or group of Noteholders, in each case holding in the aggregate more than 10% of the Note Principal Balances of the Notes in a Note Group or (c) any suit instituted by any Noteholder

for the enforcement of the payment of principal of or interest on any Note on or after the respective due dates expressed in such Note and in this Indenture.

Section 5.14 Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 5.15 Sale of Trust Estate. (1) The power to effect any sale or other disposition (a "Sale") of any portion of the Trust Estate relating to a Note Group pursuant to Section 5.04 hereof is expressly subject to the provisions of Section 5.05 hereof and this Section 5.15. The power to effect any such Sale shall not be exhausted by any one or more Sales as to any portion of the Trust Estate relating to a Note Group remaining unsold, but shall continue unimpaired until the entire Trust Estate relating to a Note Group shall have been sold or all amounts payable on the Notes relating to such Note Group and under this Indenture shall have been paid. The Indenture Trustee may from time to time postpone any public Sale by public announcement made at the time and place of such Sale. The Indenture Trustee hereby expressly waives its right to any amount fixed by law as compensation for any Sale.

(2) The Indenture Trustee shall not in any private Sale sell the Trust Estate relating to a Note Group, or any portion thereof, unless

(1) the Holders of all Notes relating to such Note Group consent to or direct the Indenture Trustee to make, such Sale, or

(2) the proceeds of such Sale would be not less than the entire amount which would be payable to the Noteholders under the Notes relating to such Note Group, in full payment thereof in accordance with Section 5.02 hereof, on the Payment Date next succeeding the date of such Sale, or

(3) the Indenture Trustee determines that the conditions for retention of the Trust Estate relating to such Note Group set forth in Section 5.05 hereof cannot be satisfied (in making any such determination, the Indenture Trustee may rely upon an opinion of an Independent investment banking firm obtained and delivered as provided in Section 5.05 hereof, the cost for which the Indenture Trustee shall be entitled to be reimbursed pursuant to Section 6.07 hereof), the Holders of Notes representing at least 100% of the Note Principal Balances of the Notes relating to such Note Group consent to such Sale.

The purchase by the Indenture Trustee of all or any portion of the Trust Estate relating to a Note Group at a private Sale shall not be deemed a Sale or other disposition thereof for purposes of this Section 5.15(b).

(3) Unless the Holders representing at least 66-2/3% of the Note Principal Balances of the Notes in a Note Group have otherwise consented or directed the Indenture Trustee, at any public Sale of all or any portion of the Trust Estate relating to such Note Group at which a minimum bid equal to or greater than the amount described in paragraph (2) of subsection (b) of this Section 5.15 has not been established by the Indenture Trustee and no Person bids an amount equal to or greater than such amount, the Indenture Trustee, as trustee for the benefit of the Holders of the Notes relating to such Note Group, shall bid an amount at least $1.00 more than the highest other bid.

(4) In connection with a Sale of all or any portion of the Trust Estate relating to a Note Group,

(1) any Holder or Holders of Notes relating to such Note Group may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property, without further accountability, and may, in paying the purchase money therefor, deliver any Notes or claims for interest thereon in lieu of cash up to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Notes, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show such partial payment;

(2) the Indenture Trustee, may bid for and acquire the property offered for Sale in connection with any Sale thereof, and, subject to any requirements of, and to the extent permitted by, applicable law in connection therewith, may purchase all or any portion of the Trust Estate relating to such Note Group in a private sale, and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting the gross Sale price against the sum of (A) the amount which would be distributable to the Holders of the Notes and Holders of Certificates relating to such Note Group on the Payment Date next succeeding the date of such Sale and (B) the expenses of the Sale and of any Proceedings in connection therewith which are reimbursable to it, without being required to produce the related Notes in order to complete any such Sale or in order for the net Sale price to be credited against such Notes, and any property so acquired by the Indenture Trustee shall be held and dealt with by it in accordance with the provisions of this Indenture;

(3) the Indenture Trustee shall execute and deliver an appropriate instrument of conveyance, prepared by the Issuer and satisfactory to the Indenture Trustee, transferring its interest in any portion of the Trust Estate relating to such Note Group in connection with a Sale thereof;

(4) the Indenture Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey its interest in any portion of the Trust Estate relating to such Note Group in connection with a Sale thereof, and to take all action necessary to effect such Sale; and

(5) no purchaser or transferee at such a Sale shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any monies.

Section 5.16 Action on Notes. The Indenture Trustee's right to seek and recover judgment on the Notes in a Note Group or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Noteholders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Trust Estate relating to a Note Group or upon any of the assets of the Issuer. Any money or property collected by the Indenture Trustee shall be applied in accordance with Section 5.04(b) hereof.

Section 5.17 Performance and Enforcement of Certain Obligations. (1) Promptly following a request from the Indenture Trustee to do so, the Issuer in its capacity as holder of the Mortgage Loans, shall take all such lawful action as the Indenture Trustee may request to cause the Issuer to compel or secure the performance and observance by the Seller and the Master Servicer, as applicable, of each of their obligations to the Issuer under or in connection with the Sale and Servicing Agreement, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with the Sale and the Servicing Agreement to the extent and in the manner directed by the Indenture Trustee, as pledgee of the Mortgage Loans, including the transmission of notices of default on the part of the Seller or the Master Servicer thereunder and the institution of legal or administrative actions or proceedings to compel or secure performance by the Seller or the Master Servicer of each of their obligations under the Sale and the Servicing Agreement.

(2) The Indenture Trustee, as pledgee of the Mortgage Loans, may, and at the direction (which direction shall be in writing or by telephone (confirmed in writing promptly thereafter)) of the Holders of 66-2/3% of the Note Principal Balances of the Notes in a Note Group, shall exercise all rights, remedies, powers, privileges and claims of the Issuer against the Seller or the Master Servicer under or in connection with the Sale and Servicing Agreement, including the right or power to take any action to compel or secure performance or observance by the Seller or the Master Servicer, as the case may be, of each of their obligations to the Issuer thereunder and to give any consent, request, notice, direction, approval, extension or waiver under the Sale and Servicing Agreement, as the case may be, and any right of the Issuer to take such action shall not be suspended.

ARTICLE VI.

THE INDENTURE TRUSTEE

Section 6.01 Duties of Indenture Trustee. (1) If an Event of Default with respect to a Note Group has occurred and is continuing, the Indenture Trustee shall exercise the rights and powers vested in it by this Indenture 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.

(2) Except during the continuance of any Event of Default:

(i) the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the other Basic Documents to which it is a party and no implied covenants or obligations shall be read into this Indenture and the other Basic Documents against the Indenture Trustee; and

(ii) in the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; however, the Indenture Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(3) The Indenture Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 6.01;

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Indenture Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Indenture Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from Noteholders or from the Issuer, which they are entitled to give under the Basic Documents.

(4) The Indenture Trustee shall not be liable for interest on any money received by it except as the Indenture Trustee may agree in writing with the Issuer.

(5) Money held in trust by the Indenture Trustee need not be segregated from other trust funds except to the extent required by law or the terms of this Indenture, the Sale and Servicing Agreement or the Trust Agreement.

(6) No provision of this Indenture shall require the Indenture Trustee 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 it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(7) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section.

(8) The Indenture Trustee shall act in accordance with Sections 6.03 and 6.04 of the Servicing Agreement and shall act as successor to the Master Servicer or appoint a successor Master Servicer in accordance with Section 6.02 of the Sale and Servicing Agreement.

Section 6.02 Rights of Indenture Trustee. (1) The Indenture Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Indenture Trustee need not investigate any fact or matter stated in the document.

(2) Before the Indenture Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel. The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer's Certificate or Opinion of Counsel.

(3) The Indenture 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 or nominee.

(4) The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; *provided, however*, that the Indenture Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

(5) The Indenture Trustee may consult with counsel, and the advice or Opinion of Counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(6) For the limited purpose of effecting any action to be undertaken by the Indenture Trustee, but not specifically as a duty of the Indenture Trustee in the Indenture, the Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder, either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(7) The Indenture Trustee or its Affiliates are permitted to receive additional compensation that could be deemed to be in the Indenture Trustee's economic self-interest for (i) serving as investment adviser, administrator, shareholder servicing agent, custodian or sub-

custodian with respect to certain of the Permitted Investments, (ii) using Affiliates to effect transactions in certain Permitted Investments and (iii) effecting transactions in certain Permitted Investments. Such compensation shall not be considered an amount that is reimbursable or payable to the Indenture Trustee (i) as part of the Indenture Trustee Fee or (ii) pursuant to Sections 3.05(d), 5.04(b) or 6.07 hereunder.

Section 6.03 Individual Rights of Indenture Trustee. The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Indenture Trustee.. Any Note Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Indenture Trustee must comply with Sections 6.11 and 6.12 hereof.

Section 6.04 Indenture Trustee's Disclaimer. The Indenture Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, other Basic Documents or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in the Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Indenture Trustee's certificate of authentication.

Section 6.05 Notice of Event of Default. Subject to Section 5.01, the Indenture Trustee shall promptly mail to each Noteholder of a Note Group notice of an Event of Default relating to such Note Group after it is actually known to a Responsible Officer of the Indenture Trustee, unless such Event of Default shall have been waived or cured. Except in the case of an Event of Default in payment of principal of or interest on any Note in the related Note Group, the Indenture Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of Noteholders relating to such Note Group

Section 6.06 Reports by Indenture Trustee to Holders and Tax Administration. The Indenture Trustee shall deliver to each Noteholder such information as may be required to enable such holder to prepare its federal and state income tax returns.

The Indenture Trustee shall prepare and file (or cause to be prepared and filed), on behalf of the Owner Trustee, all tax returns (if any) and information reports, tax elections and such annual or other reports of the Issuer as are necessary for preparation of tax returns and information reports as provided in Section 5.03 of the Trust Agreement, including without limitation Form 1099 and Form 1066. All tax returns and information reports shall be signed by the Owner Trustee as provided in Section 5.03 of the Trust Agreement.

Section 6.07 Compensation. On each Payment Date the Indenture Trustee shall be entitled to withdraw from the Payment Account, the Indenture Trustee Fee for such Payment Date in accordance with Section 3.08 of the Sale and Servicing Agreement. In addition, the Indenture Trustee will each be entitled to recover from the Payment Account pursuant to Section 3.08(a) of the Sale and Servicing Agreement all reasonable out-of-pocket expenses, disbursements and advances and the expenses of the Indenture Trustee in connection with any breach of this Agreement or any claim or legal action (including any pending or threatened claim or legal action) incurred or made by the Indenture Trustee in the administration of the trusts hereunder (including

the reasonable compensation, expenses and disbursements of its counsel) except any such expense, disbursement or advance as may arise from its willful misfeasance, bad faith or negligence or which is the responsibility of the Noteholders as provided herein. Such compensation and reimbursement obligation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust. Additionally, the Indenture Trustee and any director, officer, employee or agent of the Indenture Trustee shall be indemnified by the Trust and held harmless against any loss, liability or expense (including reasonable attorney's fees and expenses) incurred in the administration of this Indenture (other than its ordinary out of pocket expenses incurred hereunder) or in connection with any claim or legal action relating to (a) the Basic Documents or (b) the Notes, other than any loss, liability or expense incurred by reason of its negligence or intentional misconduct, or which is the responsibility of the Noteholders as provided herein. Such indemnity shall survive the termination of this Indenture or the resignation or removal of the Indenture Trustee hereunder.

The Issuer's payment obligations to the Indenture Trustee pursuant to this Section 6.07 shall survive the discharge of this Indenture and the termination or resignation of the Indenture Trustee. When the Indenture Trustee incurs expenses after the occurrence of an Event of Default with respect to the Issuer, the expenses are intended to constitute expenses of administration under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or similar law.

Section 6.08 Replacement of Indenture Trustee. No resignation or removal of the Indenture Trustee and no appointment of a successor Indenture Trustee shall become effective until the acceptance of appointment by the successor Indenture Trustee pursuant to this Section 6.08. The Indenture Trustee may resign at any time by so notifying the Issuer. Holders of a majority of Note Principal Balances of the Notes may remove the Indenture Trustee by so notifying the Indenture Trustee and may appoint a successor Indenture Trustee. The Issuer shall, remove the Indenture Trustee if:

(i) the Indenture Trustee fails to comply with Section 6.11 hereof;

(ii) the Indenture Trustee is adjudged a bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Indenture Trustee or its property; or

(iv) the Indenture Trustee otherwise becomes incapable of acting.

If the Indenture Trustee resigns or is removed or if a vacancy exists in the office of the Indenture Trustee for any reason (the Indenture Trustee in such event being referred to herein as the retiring Indenture Trustee), the Issuer shall, promptly appoint a successor Indenture Trustee.

A successor Indenture Trustee shall deliver a written acceptance of its appointment to the retiring Indenture Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Indenture Trustee shall become effective, and the successor Indenture Trustee shall have all the rights, powers and duties of the Indenture Trustee under this Indenture. The successor Indenture Trustee shall mail a notice of its succession to Noteholders. The retiring Indenture Trustee shall promptly transfer all property held by it as Indenture Trustee to the successor Indenture Trustee.

Furthermore, if the Group 1 Swap Contract or Group 2 Swap Contract is still outstanding, the Person appointed as successor indenture trustee shall execute, acknowledge and deliver to the predecessor trustee, CHL and the Master Servicer an instrument accepting the appointment as successor Swap Contract Administrator under the Swap Contract Administration Agreement.

If a successor Indenture Trustee does not take office within 60 days after the retiring Indenture Trustee resigns or is removed, the retiring Indenture Trustee, the Issuer or the Holders of a majority of Note Principal Balances of the Notes may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

Notwithstanding the replacement of the Indenture Trustee pursuant to this Section, the Issuer's obligations under Section 6.07 shall continue for the benefit of the retiring Indenture Trustee.

Section 6.09 Successor Indenture Trustee by Merger. If the Indenture Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation, without any further act, shall be the successor Indenture Trustee; provided, that such corporation or banking association shall be otherwise qualified and eligible under Section 6.11 hereof. The Indenture Trustee shall provide the Rating Agency with prior written notice of any such transaction.

If at the time such successor or successors by merger, conversion or consolidation to the Indenture Trustee shall succeed to the trusts created by this Indenture and any of the Notes shall have been authenticated but not delivered, any such successor to the Indenture Trustee may adopt the certificate of authentication of any predecessor trustee and deliver such Notes so authenticated; and if at that time any of the Notes shall not have been authenticated, any successor to the Indenture Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Indenture Trustee; and in all such cases such certificates shall have the full force which it is in the Notes or in this Indenture provided that the certificate of the Indenture Trustee shall have.

Section 6.10 Appointment of Co-Indenture Trustee or Separate Indenture Trustee. (1) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the Trust Estate may at the time be located, the Indenture Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Trust Estate, and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, such title to the Trust Estate, or any part hereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Indenture Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 6.11 hereof.

(2) 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 Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture 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 Indenture 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 the Indenture 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 Estate 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 Indenture Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Indenture Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(3) Any notice, request or other writing given to the Indenture 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 Indenture 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 Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee.

(4) Any separate trustee or co-trustee may at any time constitute the Indenture 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 Indenture 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 Indenture Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 6.11 Representations and Warranties. The Indenture Trustee hereby represents that:

(i) The Indenture Trustee is duly organized and validly existing as an banking corporation in good standing under the laws of the New York with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted;

(ii) The Indenture Trustee has the power and authority to execute and deliver this Indenture and to carry out its terms; and the execution, delivery and performance of this Indenture have been duly authorized by the Indenture Trustee by all necessary corporate action;

(iii) The consummation of the transactions contemplated by this Indenture and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the articles of incorporation or bylaws of the Indenture Trustee or any agreement or other instrument to which the Indenture Trustee is a party or by which it is bound; and

(iv) To the Indenture Trustee's knowledge, there are no proceedings or investigations pending or threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Indenture Trustee or its properties: (A) asserting the invalidity of this Indenture (B) seeking to prevent the consummation of any of the transactions contemplated by this Indenture or (C) seeking any determination or ruling that might materially and adversely affect the performance by the Indenture Trustee of its obligations under, or the validity or enforceability of, this Indenture.

Section 6.12 Directions to Indenture Trustee. The Indenture Trustee is hereby directed:

(1) to accept the pledge of the Mortgage Loans and hold the assets of the Trust Estate in trust for the Noteholders;

(2) to authenticate and deliver the Notes substantially in the form prescribed by Exhibits A through D to this Indenture in accordance with the terms of this Indenture; and

(3) to take all other actions as shall be required to be taken by the terms of this Indenture and the Sale and Servicing Agreement.

Section 6.13 The Agents. The provisions of this Indenture relating to the limitations of the Indenture Trustee's liability and to its indemnity, rights and protections shall inure also to the Paying Agent and Note Registrar.

Section 6.14 Eligibility Requirements for Indenture Trustee. The Indenture Trustee hereunder shall, at all times, be a corporation or association organized and doing business under the laws of a state or the United States of America, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, subject to supervision or examination by federal or state authority and with a credit rating that would not cause any of the Rating Agency to reduce their respective ratings of any Class of Offered Notes below the ratings issued on the Closing Date (or having provided such security from time to time as is sufficient to avoid such reduction). If such corporation or 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 6.14 the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section 6.08, the Indenture Trustee shall resign immediately in the manner and with the effect specified in Section 6.08 hereof. The corporation or national banking association serving as Indenture Trustee may have normal banking and trust relationships with the Depositor, the Seller and the Master Servicer and their respective affiliates; provided that such corporation cannot be an affiliate of the Master Servicer.

ARTICLE VII.

NOTEHOLDERS' LISTS AND REPORTS

Section 7.01 Issuer To Furnish Indenture Trustee Names and Addresses of Noteholders. The Issuer will furnish or cause to be furnished to the Indenture Trustee (a) not more than five days after each Record Date, a list, in such form as the Indenture Trustee may reasonably require, of the names and addresses of the Holders of Notes as of such Record Date, (b) at such other times as the Indenture Trustee may request in writing, within 30 days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than 10 days prior to the time such list is furnished; *provided, however*, that so long as the Indenture Trustee is the Note Registrar, no such list shall be required to be furnished to the Indenture Trustee.

Section 7.02 Preservation of Information; Communications to Noteholders. (1) The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders of Notes contained in the most recent list furnished to the Indenture Trustee as provided in Section 7.01 hereof and the names and addresses of Holders of Notes received by the Indenture Trustee in its capacity as Note Registrar. The Indenture Trustee may destroy any list furnished to it as provided in such Section 7.01 upon receipt of a new list so furnished.

(2) Noteholders or Note Owners may communicate with other Noteholders or Note Owners with respect to their rights under this Indenture or under the Notes.

Section 7.03 [Reserved].

Section 7.04 [Reserved].

Section 7.05 Statements to Noteholders. (1) Not later than each Payment Date, the Trustee shall prepare and cause to be forwarded by first class mail to each Holder of Notes, the Master Servicer, the Seller, the Group 1 Swap Counterparty, the Group 2 Swap Counterparty and the Depositor a statement, as determined separately for each Loan Group, setting forth for the Notes of the applicable Note Group:

(i) the amount of the related distribution to Holders of each Class allocable to principal, separately identifying (A) the aggregate amount of any Principal Prepayments included therein and (B) the aggregate of all scheduled payments of principal included therein;

(ii) the amount of such distribution to Holders of each Class allocable to interest;

(iii) any Interest Carry Forward Amount for each Class;

(iv) the Note Principal Balance of each Class after giving effect (i) to all distributions allocable to principal on such Payment Date and (ii) the allocation of any Applied Realized Loss Amounts for such Payment Date;

(v) the aggregate of the Stated Principal Balance of the related Mortgage Loans;

(vi) the related amount of the Servicing Fees paid to or retained by the Master Servicer for the related Due Period;

(vii) the Note Rate for each Class of Notes with respect to the current Accrual Period;

(viii) the Net Rate Carryover Amount paid on any Class of Notes on such Payment Date and any Net Rate Carryover Amounts remaining unpaid on any Class of Notes on such Payment Date;

(ix) the amount of Advances included in the distribution on such Payment Date;

(x) the amount of Applied Realized Loss Amounts applied to each Class of Offered Notes for such Payment Date;

(xi) the cumulative amount of Applied Realized Loss Amounts applied to each Class of Offered Notes to date;

(xii) the number and aggregate principal amounts of Mortgage Loans: (A) Delinquent (exclusive of Mortgage Loans in foreclosure) (1) 30 to 59 days, (2) 60 to 89 days and (3) 90 or more days, and (B) in foreclosure and Delinquent (1) 30 to 59 days, (2) 60 to 89 days and (3) 90 or more days, in each case as of the close of business on the last day of the calendar month preceding such Payment Date;

(xiii) with respect to any Mortgage Loan that became an REO Property during the preceding calendar month, the loan number and Stated Principal Balance of such Mortgage Loan and the date of acquisition thereof;

(xiv) the aggregate Stated Principal Balances of any related Mortgage Loans converted to REO Properties as of the close of business on the Determination Date preceding such Payment Date;

(xv) the aggregate Stated Principal Balances of all Liquidated Loans;

(xvi) with respect to any Liquidated Loan, the loan number and Stated Principal Balance relating thereto;

(xvii) whether a Trigger Event is in effect;

(xviii) all payments made by the Master Servicer in respect of Prepayment Interest Shortfalls for such Payment Date;

(xix) with respect to the aggregate amount of Deferred Interest added to the Stated Principal Balance of the Group 1 Loans;

(xx) the amount of any remaining Arrearages;

(xxi) the information set forth in the Prepayment Charge Schedule; and

(xxii) the amount, of any Group 1 Net Swap Payment or Group 2 Net Swap Payment, and any Group 1 Swap Termination Payment or Group 2 Swap Termination Payment, as applicable, (a) payable to the related Swap Counterparty with respect to such Payment Date or (b) payable to the Swap Contract Administrator for the Payment Date.

(2) The Indenture Trustee's responsibility for disbursing the above information to the Noteholders is limited to the availability, timeliness and accuracy of the information derived from the Master Servicer. The Indenture Trustee will send a copy of each statement provided pursuant to this Section 4.05 to the Rating Agency. The Indenture Trustee may make the above information available to Noteholders via the Indenture Trustee's website at http://www.bnyinvestorreporting.com.

(3) Within a reasonable period of time after the end of each calendar year, the Indenture Trustee shall cause to be furnished to each Person who at any time during the calendar year was a Noteholder, a statement containing the information set forth in clauses (a)(i), (a)(ii) and (a)(vi) of this Section 4.05 aggregated for such calendar year or applicable portion thereof during which such Person was a Noteholder. Such obligation of the Indenture Trustee shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Indenture Trustee pursuant to any requirements of the Code as from time to time in effect.

(4) Upon filing with the Internal Revenue Service, the Trustee shall furnish to the Holders of the Class 1-R Certificates with respect to the Group 1 Loans, and the Class 2-R Certificates with respect to the Group 2 Loans, the Form 1066 and each Form 1066Q and shall respond promptly to written requests made not more frequently than quarterly by any Holder of Class R Certificates with respect to the following matters, in each case as it relates to the applicable Loan Group:

(i) The original projected principal and interest cash flows on the Closing Date on each related Class of regular and residual interests created hereunder and on the Mortgage Loans and Class , based on the Prepayment Assumption;

(ii) The projected remaining principal and interest cash flows as of the end of any calendar quarter with respect to each related Class of regular and residual interests created hereunder and the Mortgage Loans, based on the Prepayment Assumption;

(iii) The applicable Prepayment Assumption and any interest rate assumptions used in determining the projected principal and interest cash flows described above;

(iv) The original issue discount (or, in the case of the Mortgage Loans, market discount) or premium accrued or amortized through the end of such calendar quarter with respect to each related Class of regular or residual interests created hereunder and to the Mortgage Loans, together with each constant yield to maturity used in computing the same;

(v) The treatment of losses realized with respect to the Mortgage Loans or the regular interests created hereunder, including the timing and amount of any cancellation of indebtedness income of the related REMIC with respect to such regular interests or bad debt deductions claimed with respect to the Mortgage Loans;

(vi) The amount and timing of any non-interest expenses of the related REMIC; and

(vii) Any taxes (including penalties and interest) imposed on the related REMIC, including, without limitation, taxes on "prohibited transactions," "contributions" or "net income from foreclosure property" or state or local income or franchise taxes.

The information pursuant to clauses (i), (ii), (iii) and (iv) above shall be provided by the Depositor pursuant to Section 8.08.

ARTICLE VIII.

ACCOUNTS, DISBURSEMENTS AND RELEASES

Section 8.01 Collection of Money. Except as otherwise expressly provided herein, the Indenture Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Indenture Trustee pursuant to this Indenture. The Indenture Trustee shall apply all such money received by it as provided in this Indenture. Except as otherwise expressly provided in this Indenture, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Trust Estate, the Indenture Trustee may take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate Proceedings. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article V.

Section 8.02 [Reserved].

Section 8.03 Officer's Certificate. The Indenture Trustee shall receive at least seven Business Days' notice when requested by the Issuer to take any action pursuant to Section 8.05(a) hereof, accompanied by copies of any instruments to be executed, and the Indenture Trustee shall also require, as a condition to such action, an Officer's Certificate, in form and substance satisfactory to the Indenture Trustee, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with.

Section 8.04 [Reserved].

Section 8.05 Release of Trust Estate. (1) Subject to the payment of its fees and expenses, the Indenture Trustee may, and when required by the provisions of this Indenture shall, execute instruments to release property from the lien of this Indenture, or convey the Indenture Trustee's interest in the same, in a manner and under circumstances that are not inconsistent with the provisions of this Indenture, including for the purposes of any repurchase by the Master Servicer of a Mortgage Loan pursuant to Section 2.03 of the Servicing Agreement. No party relying upon an instrument executed by the Indenture Trustee as provided in Article VIII hereunder shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent, or see to the application of any monies.

(2) The Indenture Trustee shall, at such time as (i) there are no Notes Outstanding in a Note Group and (ii) all sums due to the Indenture Trustee pursuant to this Indenture have been paid, release any remaining portion of the Trust Estate relating to such Note Group that secured the related Notes from the lien of this Indenture.

(3) The Indenture Trustee shall release property from the lien of this Indenture pursuant to this Section 8.05 only upon receipt of a request from the Issuer accompanied by an

Officers' Certificate and an Opinion of Counsel stating that all applicable requirements have been satisfied.

Section 8.06 Surrender of Notes Upon Final Payment. By acceptance of any Note, the Holder thereof agrees to surrender such Note to the Indenture Trustee promptly, prior to such Noteholder's receipt of the final payment thereon.

Section 8.07 Termination upon Liquidation or Repurchase of all Mortgage Loans.

(1) The Master Servicer shall have the option to purchase the Group 1 Loans, and thereby redeem the Group 1 Notes, on any Payment Date on or after the Payment Date on which the aggregate Stated Principal Balance of the Group 1 Loans as of the end of the prior Due Period is less than or equal to 10% of the aggregate Cut-off Date Principal Balance of the Group 1 Mortgage Loans. The aggregate purchase price (the "Group 1 Mortgage Loan Purchase Price") for the Group 1 Notes will be equal to the sum of: (1) 100% of the Stated Principal Balance of each Group 1 Loan (other than in respect of REO Property) plus accrued interest thereon at the applicable Net Mortgage Rate, (2) the appraised value of any REO Property (up to the Stated Principal Balance of the related Group 1 Loan) in Loan Group 1, (3) any Swap Termination Payment (which shall include any Net Swap Payment payable to the Group 1 Swap Provider for the final Payment Date) payable to the Group 1 Swap Provider which remains unpaid or which is due to the exercise of such option (the "Group 1 Swap Optional Termination Payment") and (4) such Loan Group's pro rata share of all amounts owing to the Indenture Trustee under the Indenture (which amounts shall be specified in writing upon request of the Issuer by the Indenture Trustee).

(2) The Master Servicer shall have the option to purchase the Group 2 Loans, and thereby redeem the Group 2 Notes, on any Payment Date on or after the Payment Date on which the aggregate Stated Principal Balance of the Group 2 Loans as of the end of the prior Due Period is less than or equal to 10% of the aggregate Cut-off Date Principal Balance of the Group 2 Mortgage Loans. The aggregate purchase price (the "Group 2 Mortgage Loan Purchase Price") for the Group 2 Notes will be equal to the sum of: (1) 100% of the Stated Principal Balance of each Group 2 Loan (other than in respect of REO Property) plus accrued interest thereon at the applicable Net Mortgage Rate, (2) the appraised value of any REO Property (up to the Stated Principal Balance of the related Group 1 Loan) in Loan Group 2, (3) any Swap Termination Payment (which shall include any Net Swap Payment payable to the Group 1 Swap Provider for the final Payment Date) payable to the Group 2 Swap Provider which remains unpaid or which is due to the exercise of such option (the "Group 2 Swap Optional Termination Payment") and (4) such Loan Group's pro rata share of all amounts owing to the Indenture Trustee under the Indenture (which amounts shall be specified in writing upon request of the Issuer by the Indenture Trustee).

(3) In order to exercise either of these foregoing options, the Master Servicer shall provide written notice of its exercise of such option and of the date the Master Servicer intends to terminate to the Indenture Trustee and the Owner Trustee at least 15 days prior to its exercise. Following receipt of the notice, the Indenture Trustee shall provide notice to the related Noteholders of the final payment on such Notes. In addition, the Master Servicer shall, not less

than one Business Day prior to the proposed Payment Date on which such purchase is to be made, deposit the aggregate redemption price specified in (a) above with the Indenture Trustee, who shall deposit the aggregate redemption price into the Payment Account and shall, on the Payment Date after receipt of the funds, apply such funds to make final payments of principal and interest on the related Notes in accordance with Section 3.05(b) and (c) hereof and payment in full to the Indenture Trustee, and this Indenture shall be discharged subject to the provisions of Section 4.12 hereof. If for any reason the amount deposited by the Issuer is not sufficient to make such redemption or such redemption cannot be completed for any reason, the amount so deposited by the Master Servicer with the Indenture Trustee shall be promptly returned to the Master Servicer in full and shall not be used for any other purpose or be deemed to be part of the Trust Estate.

(4) In connection with any Group 1 Optional Termination, four Business Days prior to the final Payment Date specified in the notice required pursuant to Section 8.07(3), the Trustee shall, no later than 4:00 pm New York City time on such day, request in writing (in accordance with the applicable provision of the Group 1 Swap Contract) and by phone from the Group 1 Swap Provider the amount of the Group 1 Estimated Swap Termination Payment (as defined in the Group 1 Swap Contract). The Group 1 Swap Provider shall, no later than 2:00 pm on the following Business Day, notify in writing (which may be done in electronic format) the Trustee of the amount of the Group 1 Estimated Swap Termination Payment; the Trustee shall promptly on the same day notify the Master Servicer of the amount of the Group 1 Estimated Swap Termination Payment.

(5) Two Business Days prior to the final Payment Date specified in the notice required pursuant to Section 8.07(3), (i) the Master Servicer shall, no later than 1:00 pm New York City time on such day, deposit funds in the Payment Account in an amount equal to the sum of the Group 1 Mortgage Loan Purchase Price (other than the Group 1 Swap Optional Termination Payment) and any Group 1 Estimated Swap Termination Payment payable to the Group 1 Swap Provider, and (ii) if the Trustee shall have determined that the aggregate Stated Principal Balance of all of the Group 1 Loans in the Trust as of the end of the prior Due Period is not more than 10% of the aggregate Cut-off Date Principal Balance of the Group 1 Loans and that all other requirements of the Group 1 Optional Termination have been met, including without limitation, the deposit required pursuant to the immediately preceding clause (i) as well as the requirements specified in Section 8.12, then the Trustee shall, on the same Business Day, provide written notice to the Depositor, the Master Servicer, the Trustee, the Swap Administrator and the Group 1 Swap Provider (in accordance with the applicable provision of the Group 1 Swap Contract) confirming (a) its receipt of the Group 1 Mortgage Loan Purchase Price (other than the Group 1 Swap Optional Termination Payment) and any Group 1 Estimated Swap Termination Payment payable to the Group 1 Swap Provider and (b) that all other requirements of the Group 1 Optional Termination have been met. Upon the Trustee's providing the notice described in the preceding sentence, the Group 1 Optional Termination shall become irrevocable, the notice to Group 1 Certificateholders of such Group 1 Optional Termination provided pursuant to the second paragraph of Section 8.07(3) shall become unrescindable, the Group 1 Swap Provider shall determine the Group 1 Swap Optional Termination Payment in accordance with the Group 1 Swap Contract, and the Group 1 Swap Provider shall provide to the Trustee written notice of the amount of the Group 1 Swap Optional Termination Payment not later than

one Business Day prior to the final Distribution Date specified in the notice required pursuant to Section 8.07(3).

(6) In connection with any Group 1 Optional Termination, only an amount equal to the Group 1 Mortgage Loan Purchase Price less any Group 1 Swap Optional Termination Payment payable to the Group 1 Swap Provider shall be made available for distribution to the Group 1 Notes. Any Group 1 Estimated Swap Termination Payment deposited into the Payment Account by the Master Servicer shall be withdrawn by the Trustee from the Payment Account on the related final Payment Date and distributed as follows: (i) to the Group 1 Swap Provider in accordance with Section 4.07(7), an amount equal to the Group 1 Swap Optional Termination Payment payable to the Group 1 Swap Provider calculated pursuant to the Group 1 Swap Agreement, provided that in no event shall the amount distributed to the Group 1 Swap Provider in respect of the Group 1 Swap Optional Termination Payment payable to the Group 1 Swap Provider exceed the Group 1 Estimated Swap Termination Payment and (ii) to the Master Servicer, an amount equal to the excess, if any, of the Group 1 Estimated Swap Termination Payment over the Group 1 Swap Optional Termination Payment. The Group 1 Swap Optional Termination Payment shall not be part of any REMIC and shall not be paid into any account which is part of any REMIC.

(7) In connection with any Group 2 Optional Termination, four Business Days prior to the final Payment Date specified in the notice required pursuant to Section 8.07(3), the Trustee shall, no later than 4:00 pm New York City time on such day, request in writing (in accordance with the applicable provision of the Group 2 Swap Contract) and by phone from the Group 2 Swap Provider the amount of the Group 2 Estimated Swap Termination Payment (as defined in the Group 2 Swap Contract). The Group 2 Swap Provider shall, no later than 2:00 pm on the following Business Day, notify in writing (which may be done in electronic format) the Trustee of the amount of the Group 2 Estimated Swap Termination Payment; the Trustee shall promptly on the same day notify the Master Servicer of the amount of the Group 2 Estimated Swap Termination Payment.

(8) Two Business Days prior to the final Payment Date specified in the notice required pursuant to Section 8.07(3), (i) the Master Servicer shall, no later than 1:00 pm New York City time on such day, deposit funds in the Payment Account in an amount equal to the sum of the Group 2 Mortgage Loan Purchase Price (other than the Group 2 Swap Optional Termination Payment) and any Group 2 Estimated Swap Termination Payment payable to the Group 2 Swap Provider, and (ii) if the Trustee shall have determined that the aggregate Stated Principal Balance of all of the Group 2 Loans in the Trust as of the end of the prior Due Period is not more than 10% of the aggregate Cut-off Date Principal Balance of the Group 2 Loans and that all other requirements of the Group 2 Optional Termination have been met, including without limitation, the deposit required pursuant to the immediately preceding clause (i) as well as the requirements specified in Section 8.12, then the Trustee shall, on the same Business Day, provide written notice to the Depositor, the Master Servicer, the Trustee, the Swap Administrator and the Group 2 Swap Provider (in accordance with the applicable provision of the Group 2 Swap Contract) confirming (a) its receipt of the Group 2 Mortgage Loan Purchase Price (other

than the Group 2 Swap Optional Termination Payment) and any Group 2 Estimated Swap Termination Payment payable to the Group 2 Swap Provider and (b) that all other requirements of the Group 2 Optional Termination have been met. Upon the Trustee's providing the notice described in the preceding sentence, the Group 1 Optional Termination shall become irrevocable, the notice to Group 2 Certificateholders of such Group 2 Optional Termination provided pursuant to the second paragraph of Section 8.07(3) shall become unrescindable, the Group 2 Swap Provider shall determine the Group 2 Swap Optional Termination Payment in accordance with the Group 2 Swap Contract, and the Group 2 Swap Provider shall provide to the Trustee written notice of the amount of the Group 2 Swap Optional Termination Payment not later than one Business Day prior to the final Distribution Date specified in the notice required pursuant to Section 8.07(3).

(9) In connection with any Group 2 Optional Termination, only an amount equal to the Group 2 Mortgage Loan Purchase Price less any Group 2 Swap Optional Termination Payment payable to the Group 2 Swap Provider shall be made available for distribution to the Group 2 Notes. Any Group 2 Estimated Swap Termination Payment deposited into the Payment Account by the Master Servicer shall be withdrawn by the Trustee from the Payment Account on the related final Payment Date and distributed as follows: (i) to the Group 2 Swap Provider in accordance with Section 2.07(7), an amount equal to the Group 2 Swap Optional Termination Payment payable to the Group 2 Swap Provider calculated pursuant to the Group 2 Swap Agreement, provided that in no event shall the amount distributed to the Group 2 Swap Provider in respect of the Group 2 Swap Optional Termination Payment payable to the Group 2 Swap Provider exceed the Group 2 Estimated Swap Termination Payment and (ii) to the Master Servicer, an amount equal to the excess, if any, of the Group 2 Estimated Swap Termination Payment over the Group 2 Swap Optional Termination Payment. The Group 2 Swap Optional Termination Payment shall not be part of any REMIC and shall not be paid into any account which is part of any REMIC.

(10) To the extent the Master Servicer assigns the right to exercise the Group 1 Optional Termination or Group 2 Optional Termination as provided in clause (1) or (2) above to a third-party, any successor Master Servicer will be subject to the terms of any such assignment. The Master Servicer will provide the terms of any such assignment to any successor Master Servicer prior to the transfer of its master servicing obligations.

Section 8.08 Tax Matters.

(1) It is intended that the Trust Estate shall constitute, and that the affairs of the Trust Estate shall be conducted so that each of REMIC I-A, REMIC I-B, REMIC I-C, REMIC II-A, REMIC II-B and REMIC II-C qualifies as, a "real estate mortgage investment conduit" as defined in and in accordance with the REMIC Provisions. In furtherance of such intention, the Indenture Trustee covenants and agrees that it shall act as agent (and the Indenture Trustee is hereby appointed to act as agent) on behalf of the Trust Estate and that in such capacity it shall: (a) prepare and file, or cause to be prepared and filed, in a timely manner, a U.S. Real Estate Mortgage Investment Conduit Income Tax Returns (Form 1066 or any successor form adopted by the Internal Revenue Service) and prepare and file or cause to be prepared and filed with the Internal Revenue Service and applicable state or local tax authorities income tax or information

returns for each taxable year with respect to each REMIC created hereunder containing such information and at the times and in the manner as may be required by the Code or state or local tax laws, regulations, or rules, and furnish or cause to be furnished to Noteholders the schedules, statements or information at such times and in such manner as may be required thereby; (b) within thirty days of the Closing Date, furnish or cause to be furnished to the Internal Revenue Service, on Forms 8811 or as otherwise may be required by the Code, the name, title, address, and telephone number of the person that the Holders of the Notes may contact for tax information relating thereto, together with such additional information as may be required by such Form, and update such information at the time or times in the manner required by the Code for the Trust Estate; (c) make or cause to be made elections, on behalf of each REMIC created hereunder to be treated as a REMIC on the federal tax return of each such REMIC for its first taxable year (and, if necessary, under applicable state law); (d) prepare and forward, or cause to be prepared and forwarded, to the Noteholders and to the Internal Revenue Service and, if necessary, state tax authorities, all information returns and reports as and when required to be provided to them in accordance with the REMIC Provisions, including without limitation, the calculation of any original issue discount using the Prepayment Assumption; (e) provide information necessary for the computation of tax imposed on the transfer of a Class R Certificates to a Person that is not a Permitted Transferee, or an agent (including a broker, nominee or other middleman) of a Non-Permitted Transferee, or a pass-through entity in which a Non-Permitted Transferee is the record holder of an interest (the reasonable cost of computing and furnishing such information may be charged to the Person liable for such tax); (f) to the extent that they are under its control conduct the affairs of the Trust Estate at all times that any Notes are outstanding so as to maintain the status of each REMIC created hereunder as a REMIC under the REMIC Provisions; (g) not knowingly or intentionally take any action or omit to take any action that would cause the termination of the REMIC status of any REMIC created hereunder; (h) pay, from the sources specified in Section 8.08(3), the amount of any federal, state and local taxes, including prohibited transaction taxes as described below, imposed on any REMIC created hereunder prior to the termination of the Trust Estate when and as the same shall be due and payable (but such obligation shall not prevent the Indenture Trustee or any other appropriate Person from contesting any such tax in appropriate proceedings and shall not prevent the Indenture Trustee from withholding payment of such tax, if permitted by law, pending the outcome of such proceedings); (i) sign or cause to be signed federal, state or local income tax or information returns; (j) maintain records relating to each REMIC created hereunder, including but not limited to the income, expenses, assets and liabilities of each such REMIC, and the fair market value and adjusted basis of the Trust Estate property determined at such intervals as may be required by the Code, as may be necessary to prepare the foregoing returns, schedules, statements or information; and (k) as and when necessary and appropriate, represent the Trust Estate in any administrative or judicial proceedings relating to an examination or audit by any governmental taxing authority, request an administrative adjustment as to any taxable year of any REMIC created hereunder, enter into settlement agreements with any governmental taxing agency, extend any statute of limitations relating to any tax item of the Trust Estate, and otherwise act on behalf of any REMIC created hereunder in relation to any tax matter involving any such REMIC.

(2) In order to enable the Indenture Trustee to perform its duties as set forth herein, the Depositor shall provide, or cause to be provided, to the Indenture Trustee within 10 days after the Closing Date all information or data that the Indenture Trustee requests in writing and

determines to be relevant for tax purposes to the valuations and offering prices of the Notes, including, without limitation, the price, yield, prepayment assumption and projected cash flows of the Notes and the Mortgage Loans. Thereafter, the Depositor shall provide to the Indenture Trustee promptly upon written request therefor, any such additional information or data that the Indenture Trustee may, from time to time, request in order to enable the Indenture Trustee to perform its duties as set forth herein. The Depositor hereby indemnifies the Indenture Trustee for any losses, liabilities, damages, claims or expenses of the Indenture Trustee arising from any errors or miscalculations of the Indenture Trustee that result from any failure of the Depositor to provide, or to cause to be provided, accurate information or data to the Indenture Trustee on a timely basis.

(3) In the event that any tax is imposed on "prohibited transactions" of the Trust Estate as defined in section 860F(a)(2) of the Code, on the "net income from foreclosure property" of the Trust Estate as defined in section 860G(c) of the Code, on any contribution to the Trust Estate after the startup day pursuant to section 860G(d) of the Code, or any other tax is imposed, including, without limitation, any federal, state or local tax or minimum tax imposed upon the Trust Estate pursuant to sections 23153 and 24872 of the California Revenue and Taxation Code if not paid as otherwise provided for herein, such tax shall be paid by (i) the Indenture Trustee, if any such other tax arises out of or results from a breach by the Indenture Trustee of any of its obligations under this Agreement, (ii) (x) the Master Servicer, in the case of any such minimum tax, and (y) any party hereto (other than the Indenture Trustee) to the extent any such other tax arises out of or results from a breach by such other party of any of its obligations under this Agreement or (iii) in all other cases, or in the event that any liable party here fails to honor its obligations under the preceding clauses (i) or (ii), any such tax (A) with respect to REMIC I-A, REMIC I-B or REMIC I-C will be paid first with amounts otherwise to be distributed to the Class 1-R Certificateholders, and second with amounts otherwise to be distributed to all other Noteholders in the following order of priority: first, to the Class 1-C Notes, second, to the Class 1-B-1 Notes, third, to the Class 1-M-6 Notes, fourth, to the Class 1-M-5 Notes, fifth, to the Class 1-M-4 Notes, sixth, to the Class 1-M-3 Notes, seventh, to the Class 1-M-2 Notes, eighth, to the Class 1-M-1 Notes, ninth, to the Class 1-A-2 Notes, and tenth, to the Class 1-A-1 Notes and (B) with respect to REMIC II-A, REMIC II-B or REMIC II-C will be paid first with amounts otherwise to be distributed to the Class 2-R Certificateholders, and second with amounts otherwise to be distributed to all other Noteholders in the following order of priority: first, to the Class 2-C Notes, second, to the Class 2-B-1 Notes, third, to the Class 2-M-6 Notes, fourth, to the Class 2-M-5 Notes, fifth, to the Class 2-M-4 Notes, sixth, to the Class 2-M-3 Notes, seventh, to the Class 2-M-2 Notes, eighth, to the Class 2-M-1 Notes and, ninth, to the Class 2-A Notes (pro rata). Notwithstanding anything to the contrary contained herein, to the extent that such tax is payable by a Class of Class R Certificates, the Indenture Trustee is hereby authorized to retain on any Payment Date, from the Holders of such Class R Certificates (and, if necessary, second, from the Holders of the all other Notes in the priority specified in the applicable preceding sentence), funds otherwise distributable to such Holders in an amount sufficient to pay such tax. The Indenture Trustee agrees to promptly notify in writing the party liable for any such tax of the amount thereof and the due date for the payment thereof.

Section 8.09 Swap Accounts.

(1) No later than the Closing Date, the Indenture Trustee shall establish and maintain a separate, segregated trust account, titled, "Group 1 Swap Account, The Bank of New York, as Indenture Trustee, in trust for the Group 1 Swap Counterparty and the registered holders of CWABS, Inc., Asset-Backed Notes, Series 2007-SEA2." 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 Indenture Trustee held pursuant to this Agreement. Amounts therein shall be held uninvested. Funds on deposit in the Group 1 Swap Account shall be distributed in the amounts and in the order described under Section 4.02(7)(1). On each Payment Date, any amounts remaining in the Group 1 Swap Account after the distributions pursuant to Section 4.02(7)(1) shall remain in the Group 1 Swap Account and be used on future Payment Dates for the distributions described in Section 4.02(7)(1).

For federal income tax purposes, the Group 1 Swap Account shall be owned by the Class 1-C Notes.

On each Payment Date, the Indenture Trustee shall make a deposit to the Group 1 Swap Account pursuant to Section 4.02(1)(i), and to the extent that the amount of such deposit is insufficient to pay any Group 1 Net Swap Payment and/or Group 1 Swap Termination Payment (other than a Group 1 Swap Termination Payment due to a Group 1 Swap Counterparty Trigger Event) due to the Group 1 Swap Counterparty with respect to such Payment Date, the Indenture Trustee shall withdraw, out of amounts on deposit in the Payment Account in respect of the related Principal Remittance Amount, such additional amount as is necessary to cover the remaining portion of any such Group 1 Net Swap Payment and/or Group 1 Swap Termination Payment (other than a Group 1 Swap Termination Payment due to a Group 1 Swap Counterparty Trigger Event) due to the Group 1 Swap Counterparty with respect to such Payment Date.

The Indenture Trustee shall treat the Holders of Group 1 Notes (other than the Class 1-P Notes, the Class 1-G Notes and the Class 1-C Notes) as having entered into a notional principal contract with respect to the Holders of the Class 1-C Notes. Pursuant to each such notional principal contract, all Holders of Group 1 Notes (other than the Class 1-P Notes, the Class 1-G Notes and the Class 1-C Notes) shall be treated as having agreed to pay, on each Payment Date, to the Holder of the Class 1-C Notes an aggregate amount equal to the excess, if any, of (i) the amount payable on such Payment Date on the REMIC I-C Regular Interest corresponding to such Class of Notes over (ii) the amount payable on such Class of Notes on such Payment Date (such excess, a "Class IO Distribution Amount"). A Class IO Distribution Amount payable from interest collections shall be allocated *pro rata* among such Notes based on the excess of (a) the amount of interest otherwise payable to such Notes over (ii) the amount of interest payable to such Notes at a per annum rate equal to the Note Rate, and a Class IO Distribution Amount payable from principal collections shall be allocated to the most subordinate Class of Notes with an outstanding principal balance to the extent of such balance. In addition, pursuant to such notional principal contract, the Holder of the Class 1-C Notes shall be treated as having agreed to pay Net Rate Carryover to the Holders of the Group 1 Notes (other than the Class 1-P Notes, the Class 1-G Notes and the Class 1-C Notes) in accordance with the terms of this Agreement. Any payments to the Group 1 Notes 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 Group 1 Notes (other

than the Class 1-P Notes, the Class 1-G Notes and the Class 1-C Notes) of a Class IO Distribution Amount shall be treated for tax purposes as having been received by the Holders of such Notes in respect of their interests in REMIC I-C and as having been paid by such Holders to the Swap Contract Administrator pursuant to the notional principal contract. Thus, each Group 1 Note (other than the Class 1-P Notes and the Class 1-G Notes) shall be treated as representing not only ownership of Regular Interests in REMIC I-C, but also ownership of an interest in, and obligations with respect to, a notional principal contract.

The Group 1 Swap Account shall terminate on the earlier of (i) the Group 1 Swap Contract Termination Date, (ii) the reduction of the aggregate Note Principal Balance of the Group 1 Offered Notes to zero and (iii) the termination of this Agreement.

(2) No later than the Closing Date, the Indenture Trustee shall establish and maintain a separate, segregated trust account, titled, "Group 2 Swap Account, The Bank of New York, as Indenture Trustee, in trust for the Group 2 Swap Counterparty and the registered holders of CWABS, Inc., Asset-Backed Notes, Series 2007-SEA2." 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 Indenture Trustee held pursuant to this Agreement. Amounts therein shall be held uninvested. Funds on deposit in the Group 2 Swap Account shall be distributed in the amounts and in the order described under Section 4.02(7)(2). On each Payment Date, any amounts remaining in the Group 2 Swap Account after the distributions pursuant to Section 4.02(7)(2) shall remain in the Swap Account and be used on future Payment Dates for the distributions described in Section 4.02(7)(2).

For federal income tax purposes, the Group 2 Swap Account shall be owned by the Class 2-C Notes.

On each Payment Date, the Indenture Trustee shall make a deposit to the Group 2 Swap Account pursuant to Section 4.02(2)(i), and to the extent that the amount of such deposit is insufficient to pay any Group 2 Net Swap Payment and/or Group 2 Swap Termination Payment (other than a Group 2 Swap Termination Payment due to a Group 2 Swap Counterparty Trigger Event) due to the Group 2 Swap Counterparty with respect to such Payment Date, the Indenture Trustee shall withdraw, out of amounts on deposit in the Payment Account in respect of the related Principal Remittance Amount, such additional amount as is necessary to cover the remaining portion of any such Group 2 Net Swap Payment and/or Group 2 Swap Termination Payment (other than a Group 2 Swap Termination Payment due to a Group 2 Swap Counterparty Trigger Event) due to the Group 2 Swap Counterparty with respect to such Payment Date.

The Indenture Trustee shall treat the Holders of Group 2 Notes (other than the Class 2-P Notes and the Class 2-C Notes) as having entered into a notional principal contract with respect to the Holders of the Class 2-C Notes. Pursuant to each such notional principal contract, all Holders of Group 2 Notes (other than the Class 2-P Notes and the Class 2-C Notes) shall be treated as having agreed to pay, on each Payment Date, to the Holder of the Class 2-C Notes an aggregate amount equal to the excess, if any, of (i) the amount payable on such Payment Date on the REMIC II-C Regular Interest corresponding to such Class of Notes over (ii) the amount payable on such Class of Notes on such Payment Date (such excess, a "Class IO Distribution

Amount"). A Class IO Distribution Amount payable from interest collections shall be allocated *pro rata* among such Notes based on the excess of (a) the amount of interest otherwise payable to such Notes over (ii) the amount of interest payable to such Notes at a per annum rate equal to the Note Rate, and a Class IO Distribution Amount payable from principal collections shall be allocated to the most subordinate Class of Notes with an outstanding principal balance to the extent of such balance. In addition, pursuant to such notional principal contract, the Holder of the Class 2-C Notes shall be treated as having agreed to pay Net Rate Carryover to the Holders of the Group 2 Notes (other than the Class 2-P Notes and the Class 2-C Notes) in accordance with the terms of this Agreement. Any payments to the Group 2 Notes 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 Group 2 Notes (other than the Class 2-P Notes and the Class 2-C Notes) of a Class IO Distribution Amount shall be treated for tax purposes as having been received by the Holders of such Notes in respect of their interests in REMIC II-C and as having been paid by such Holders to the Swap Contract Administrator pursuant to the notional principal contract. Thus, each Group 2 Note (other than the Class 2-P Notes) shall be treated as representing not only ownership of Regular Interests in REMIC II-C, but also ownership of an interest in, and obligations with respect to, a notional principal contract.

The Group 2 Swap Account shall terminate on the earlier of (i) the Group 2 Swap Contract Termination Date, (ii) the reduction of the aggregate Note Principal Balance of the Group 2 Offered Notes to zero and (iii) the termination of this Agreement.

Section 8.10 Swap Collateral Accounts.

(1) The Bank of New York is hereby directed to perform the obligations of the Custodian as defined under the Group 1 Swap Credit Support Annex (the "Group 1 Swap Custodian").

On or before the Closing Date, the Group 1 Swap Custodian shall establish a swap collateral account (the "Group 1 Swap Collateral Account"). The Group 1 Swap Collateral Account shall be held in the name of the Group 1 Swap Custodian in trust for the benefit of the Group 1 Noteholders. The Group 1 Swap Collateral Account must be an Eligible Account and shall be entitled "Group 1 Swap Collateral Account, The Bank of New York, as Group 1 Swap Custodian for the benefit of holders of CWABS, Inc., Asset-Backed Notes, Series 2007-SEA2."

The Group 1 Swap Custodian shall credit to Group 1 Swap Collateral Account all collateral (whether in the form of cash or securities) posted by the Group 1 Swap Counterparty to secure the obligations of the Group 1 Swap Counterparty in accordance with the terms of the Group 1 Swap Contract. The Group 1 Swap Custodian shall maintain and apply all collateral and earnings thereon on deposit in the Group 1 Swap Collateral Account in accordance with the Group 1 Swap Credit Support Annex.

Cash collateral posted by the Group 1 Swap Counterparty in accordance with the Group 1 Swap Credit Support Annex shall be invested, at the direction of the Group 1 Swap Counterparty, in Eligible Investments rated at least AAAm or AAAm-G by S&P and Prime-1 by Moody's or Aaa by Moody's. All amounts earned on amounts on deposit in the Group 1 Swap

Collateral Account (whether cash collateral or securities) shall be for the account of and taxable to the Group 1 Swap Counterparty. In accordance with the Group 1 Swap Credit Support Annex, the Group 1 Swap Counterparty shall post or cause to be posted in the Group 1 Swap Collateral Account additional collateral to the extent value of the collateral in the Group 1 Swap Collateral Account is reduced due to a loss on any amounts in the Group 1 Swap Collateral Account. In the absence of written direction from the Group 1 Swap Counterparty, cash collateral shall be invested as specified in the definition of Eligible Investments (v) in this Indenture.

Upon the occurrence of an Event of Default or a Specified Condition (each as defined in the Group 1 Swap Contract), with respect to the Group 1 Swap Counterparty or upon occurrence or designation of an Early Termination Date (as defined in the Group 1 Swap Contract) as a result of any such Event of Default, Termination Event, or Additional Termination Event with respect to the Group 1 Swap Counterparty, and, in either such case, unless the Group 1 Swap Counterparty has paid in full all of its Obligations (as defined in the Group 1 Swap Credit Support Annex) that are then due, then any collateral posted by the Group 1 Swap Counterparty in accordance with the Group 1 Swap Credit Support Annex shall be applied to the payment of any Obligations due to Party B (as defined in the Group 1 Swap Contract) in accordance with the Group 1 Swap Credit Support Annex. Any excess amounts held in such Group 1 Swap Collateral Account after payment of all amounts owing to Party B under the Group 1 Swap Contract shall be withdrawn from the Group 1 Swap Collateral Account and paid to the Group 1 Swap Counterparty in accordance with the Group 1 Swap Credit Support Annex.

(2) The Bank of New York is hereby directed to perform the obligations of the Custodian as defined under the Group 2 Swap Credit Support Annex (the "Group 2 Swap Custodian").

On or before the Closing Date, the Group 2 Swap Custodian shall establish a swap collateral account (the "Group 2 Swap Collateral Account"). The Group 2 Swap Collateral Account shall be held in the name of the Group 2 Swap Custodian in trust for the benefit of the Group 2 Noteholders. The Group 2 Swap Collateral Account must be an Eligible Account and shall be entitled "Group 2 Swap Collateral Account, The Bank of New York, as Group 2 Swap Custodian for the benefit of holders of CWABS, Inc., Asset-Backed Notes, Series 2007-SEA2."

The Group 2 Swap Custodian shall credit to Group 2 Swap Collateral Account all collateral (whether in the form of cash or securities) posted by the Group 2 Swap Counterparty to secure the obligations of the Group 2 Swap Counterparty in accordance with the terms of the Group 2 Swap Contract. The Group 2 Swap Custodian shall maintain and apply all collateral and earnings thereon on deposit in the Group 2 Swap Collateral Account in accordance with the Group 2 Swap Credit Support Annex.

Cash collateral posted by the Group 2 Swap Counterparty in accordance with the Group 2 Swap Credit Support Annex shall be invested, at the direction of the Group 2 Swap Counterparty, in Eligible Investments rated at least AAAm or AAAm-G by S&P and Prime-1 by Moody's or Aaa by Moody's. All amounts earned on amounts on deposit in the Group 2 Swap Collateral Account (whether cash collateral or securities) shall be for the account of and taxable to the Group 2 Swap Counterparty. In accordance with the Group 2 Swap Credit Support Annex, the Group 2 Swap Counterparty shall post or cause to be posted in the Group 2 Swap Collateral

Account additional collateral to the extent value of the collateral in the Group 2 Swap Collateral Account is reduced due to a loss on any amounts in the Group 2 Swap Collateral Account. In the absence of written direction from the Group 2 Swap Counterparty, cash collateral shall be invested as specified in the definition of Eligible Investments (v) in this Indenture.

Upon the occurrence of an Event of Default or a Specified Condition (each as defined in the Group 2 Swap Contract), with respect to the Group 2 Swap Counterparty or upon occurrence or designation of an Early Termination Date (as defined in the Group 2 Swap Contract) as a result of any such Event of Default, Termination Event, or Additional Termination Event with respect to the Group 2 Swap Counterparty, and, in either such case, unless the Group 2 Swap Counterparty has paid in full all of its Obligations (as defined in the Group 2 Swap Credit Support Annex) that are then due, then any collateral posted by the Group 2 Swap Counterparty in accordance with the Group 2 Swap Credit Support Annex shall be applied to the payment of any Obligations due to Party B (as defined in the Group 2 Swap Contract) in accordance with the Group 2 Swap Credit Support Annex. Any excess amounts held in such Group 2 Swap Collateral Account after payment of all amounts owing to Party B under the Group 2 Swap Contract shall be withdrawn from the Group 2 Swap Collateral Account and paid to the Group 2 Swap Counterparty in accordance with the Group 2 Swap Credit Support Annex.

Section 8.11 Final Distribution on the Notes.

(1) If on any Determination Date, (i) the Master Servicer determines that there are no Outstanding Mortgage Loans and no other funds or assets other than the funds in the Note Account, the Master Servicer shall direct the Indenture Trustee to send a final distribution notice promptly to each related Noteholder or (ii) the Indenture Trustee determines that a Class of Notes shall be retired after a final distribution on such Class, the Indenture Trustee shall notify the related Noteholders within five (5) Business Days after such Determination Date that the final distribution in retirement of such Class of Notes is scheduled to be made on the immediately following Payment Date. Any final distribution made pursuant to the immediately preceding sentence will be made only upon presentation and surrender of the related Notes at the Corporate Trust Office of the Indenture Trustee. If the Master Servicer elects to terminate pursuant to either clause (1) or clause (2) of Section 8.07, such electing party shall notify the Depositor and the Indenture Trustee in accordance with Section 8.07(3).

(2) Notice of any termination, specifying the Payment Date on which related Noteholders may surrender their Notes for payment of the final distribution and cancellation, shall be given promptly by the Indenture Trustee by letter to related Noteholders mailed not earlier than the 10th day and no later than the 15th day of the month immediately preceding the month of such final distribution. Any such notice shall specify (a) the Payment Date upon which final distribution on related Notes will be made upon presentation and surrender of such Notes at the office therein designated, (b) the amount of such final distribution, (c) the location of the office or agency at which such presentation and surrender must be made, and (d) that the Record Date otherwise applicable to such Payment Date is not applicable, distributions being made only upon presentation and surrender of such Notes at the office therein specified. The Master Servicer will give such notice to each Rating Agency at the time such notice is given to the affected Noteholders.

(3) In the event such notice is given, the Master Servicer shall cause all funds relating to the Loan Group being terminated in the Note Account to be remitted to the Indenture Trustee for deposit in the Payment Account on the Business Day prior to the applicable Payment Date in an amount equal to the final distribution in respect of the related Notes. Upon such final deposit and the receipt by the Indenture Trustee of a Request for Release therefor, the Indenture Trustee shall promptly release to the Master Servicer the Mortgage Note and other documents in the Mortgage File held by the Indenture Trustee for the related Mortgage Loans.

(4) Upon presentation and surrender of the Notes of a Note Group, the Indenture Trustee shall cause to be distributed to Noteholders of each affected Class the amounts allocable to such Notes held in the Payment Account (and, if applicable, the Carryover Reserve Fund) in the order and priority set forth in Section 4.02 on the final Payment Date and in proportion to their respective Percentage Interests.

Section 8.12 Additional Termination Requirements.

(1) In the event the Master Servicer exercises its purchase option pursuant to either clause (1) or clause (2) of Section 8.07, the Trust Estate relating to the applicable Loan Group shall be terminated in accordance with the following additional requirements, unless the Indenture Trustee has been supplied with an Opinion of Counsel, at the expense of the Master Servicer, to the effect that the failure of the Trust Estate relating to the applicable Loan Group to comply with the requirements of this Section 8.12 will not (i) result in the imposition of taxes on "prohibited transactions" of a REMIC, or (ii) cause any REMIC created hereunder to fail to qualify as a REMIC at any time that any Notes are outstanding:

(i) The Master Servicer shall establish a 90-day liquidation period and notify the Indenture Trustee thereof, which shall in turn specify the first day of such period in a statement attached to the Trust Estate's final Tax Return pursuant to Treasury Regulation section 1.860F-1. The Master Servicer shall prepare a plan of complete liquidation and shall otherwise satisfy all the requirements of a qualified liquidation under section 860F of the Code and any regulations thereunder, as evidenced by an Opinion of Counsel delivered to the Indenture Trustee and the Depositor obtained at the expense of the Master Servicer;

(ii) During such 90-day liquidation period, and at or prior to the time of making the final payment on the Notes of a Note Group, the Master Servicer as agent of the Indenture Trustee shall sell all of the assets of the Trust Estate relating to such Note Group to the Master Servicer for cash; and

(iii) At the time of the making of the final payment on the Notes of a Note Group, the Indenture Trustee shall distribute or credit, or cause to be distributed or credited, to the Class R Certificateholders relating to such Note Group all cash on hand (other than cash retained to meet claims) related to such Class of Notes, and the Trust Estate relating to such Loan Group shall terminate at that time.

(2) By their acceptance of the Notes, the Holders thereof hereby authorize the Master Servicer to specify the 90-day liquidation period for the Trust Estate relating to the Note Group of such Notes, which authorization shall be binding upon all successor Noteholders.

(3) The Indenture Trustee as agent for each REMIC created hereunder hereby agrees to adopt and sign such a plan of complete liquidation upon the written request of the Master Servicer, and the receipt of the Opinion of Counsel referred to in Section 8.12(1)(i), and together with the Holders of the Class R Certificates of the related Note Group agree to take such other action in connection therewith as may be reasonably requested by the Master Servicer.

ARTICLE IX.

SUPPLEMENTAL INDENTURES

Section 9.01 Supplemental Indentures Without Consent of Noteholders. (1) Without the consent of the Holders of any Notes but with prior notice to the Rating Agency, the Issuer and the Indenture Trustee, when authorized by an Issuer Request, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Indenture Trustee, for any of the following purposes:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes contained;

(iii) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Indenture Trustee;

(v) to cure any ambiguity, to correct or supplement any provision herein or in any supplemental indenture that may be inconsistent with any other provision herein or in any supplemental indenture;

(vi) to make any other provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture; provided, that such action shall not materially and adversely affect the interests of the Holders of the Notes; or

(vii) to evidence and provide for the acceptance of the appointment hereunder by a successor trustee with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Article VI hereof;

provided, however, that no such indenture supplements shall be entered into unless the Indenture Trustee shall have received an Opinion of Counsel as to the enforceability of any such indenture supplement and to the effect that (i) such indenture supplement is permitted hereunder and (ii) entering into such indenture supplement will not result in a "substantial modification" of the Notes under Treasury Regulation Section 1.1001-3 or adversely affect the status of any REMIC.

The Indenture Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained.

(2) The Issuer and the Indenture Trustee, when authorized by an Issuer Request, may, also without the consent of any of the Holders of the Notes and prior notice to the Rating Agency, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; *provided, however,* that such action as evidenced by an Opinion of Counsel, (i) is permitted by this Indenture, and shall not (ii) adversely affect in any material respect the interests of any Noteholder and cause the Issuer to be subject to an entity level tax for federal income tax purposes.

Section 9.02 Supplemental Indentures With Consent of Noteholders. The Issuer and the Indenture Trustee, when authorized by an Issuer Request, also may, with prior notice to the Rating Agency and, with the consent of the Holders of not less than a majority of the aggregate Note Principal Balance of each Class of Notes affected thereby, by Act (as defined in Section 11.03 hereof) of such Holders delivered to the Issuer and the Indenture Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; *provided, however,* that no such supplemental indenture shall, without the consent of the Holders of the Notes:

(i) change the date of payment of any installment of principal of or interest on any Note, or reduce the principal amount thereof or the interest rate thereon, change the provisions of this Indenture relating to the application of collections on, or the proceeds of the sale of, the Trust Estate to payment of principal of or interest on the Notes, or change any place of payment where, or the coin or currency in which, any Note or the interest thereon is payable, or impair the right to institute suit for the enforcement of the provisions of this Indenture requiring the application of funds available therefor, as provided in Article V, to the payment of any such amount due on the Notes on or after the respective due dates thereof;

(ii) reduce the percentage of the Note Principal Balances of the Notes, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(iii) modify or alter the provisions of the proviso to the definition of the term "Outstanding" or modify or alter the exception in the definition of the term "Holder";

(iv) reduce the percentage of the Note Principal Balances of the Notes required to direct the Indenture Trustee to direct the Issuer to sell or liquidate the Trust Estate pursuant to Section 5.04 hereof;

(v) modify any provision of this Section 9.02 except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture or the Basic Documents cannot be modified or waived without the consent of the Holder of the Notes;

(vi) modify any of the provisions of this Indenture in such manner as to affect the calculation of the amount of any payment of interest or principal due on any Note on any Payment Date (including the calculation of any of the individual components of such calculation); or

(vii) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any part of the Trust Estate or, except as otherwise permitted or contemplated herein, terminate the lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Note of the security provided by the lien of this Indenture;

and *provided, further*, that such action shall not, as evidenced by an Opinion of Counsel, cause the Issuer to be subject to an entity level tax.

Any such action shall not adversely affect in any material respect the interest of any Holder (other than a Holder who shall consent to such supplemental indenture) as evidenced by an Opinion of Counsel (provided by the Person requesting such supplemental indenture) delivered to the Indenture Trustee.

It shall not be necessary for any Act of Noteholders under this Section 9.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Promptly after the execution by the Issuer and the Indenture Trustee of any supplemental indenture pursuant to this Section 9.02, the Indenture Trustee shall mail to the Holders of the Notes to which such amendment or supplemental indenture relates a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Indenture Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 9.03 Execution of Supplemental Indentures. In executing, or permitting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modification thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and subject to Sections 6.01 and 6.02 hereof, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Indenture Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

Section 9.04 Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and shall be deemed to be modified and amended in accordance therewith with respect to the Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and

immunities under this Indenture of the Indenture Trustee, the Issuer and the Holders of the applicable Notes shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.05 Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and if required by the Indenture Trustee shall, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. If the Issuer or the Indenture Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

Section 9.06 Swap Counterparty Consent.

Notwithstanding any of the other provisions of this Article IX ,none of the parties to this Indenture shall enter into any supplemental indenture to this Indenture that could reasonably be expected to have a material adverse effect on the interests of the Group 1 Swap Counterparty or Group 2 Swap Counterparty hereunder (excluding, for the avoidance of doubt, any amendment to this Indenture that is entered into solely for the purpose of appointing a successor servicer, master servicer, securities administrator, trustee or other service provider) without the prior written consent of the Group 1 Swap Counterparty or the Group 2 Swap Counterparty, as applicable, which consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE X.

REMIC ADMINISTRATION

Section 10.01 Indenture Trustee to Administer REMICs.

(1) The Indenture Trustee shall make or cause to be made REMIC elections for each of REMIC I-A, REMIC I-B, REMIC I-C, REMIC II-A, REMIC II-B and REMIC II-C as set forth in this Indenture and the Appendix 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 Notes are issued. The regular interests and residual interest in each REMIC shall be as designated in Section 10.04.

(2) The Closing Date is hereby designated as the "Startup Day" of each REMIC within the meaning of Section 860G(a)(9) of the Code.

(3) The Master Servicer 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 Master Servicer in fulfilling its duties hereunder. The Master Servicer shall be entitled to reimbursement of expenses to the extent provided in clause (i) above from the Collection Account.

(4) The Indenture 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 Indenture Trustee.

(5) The Holder of the Class 1-R Certificates holding the smallest Percentage Interest shall be the "tax matters person" as defined in the REMIC Provisions (the "Tax Matters Person") with respect to each of REMIC I-A, REMIC I-B and REMIC I-C. The Holder of the Class 2-R Certificates holding the smallest Percentage Interest shall be the "Tax Matters Person with respect to each of REMIC II-A, REMIC II-B and REMIC II-C. The Indenture Trustee is irrevocably designated as and shall act as attorney-in-fact and agent for each Tax Matters Person for each REMIC. The Indenture Trustee, as agent for the 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 Indenture Trustee, as agent for the 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 any Class of Class R Certificates to any disqualified person or organization and (ii) to the Noteholders such information or reports as are required by the Code or REMIC Provisions.

(6) The Indenture Trustee, the Master Servicer, and the Holders of Notes shall take any action or cause any REMIC 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. Neither the Indenture Trustee, the Master Servicer, nor the Holder of any Class R Certificates shall take any action or 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 (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 Indenture Trustee and the Master 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 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 Class of Class R Certificates will consult with the Indenture Trustee and the Master 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 Indenture Trustee or the Master Servicer has advised it in writing that an Adverse REMIC Event could occur.

(7) The Holder of a Class of Class R Certificates shall pay when due its *pro rata* share of any and all taxes imposed on any REMIC by federal or state governmental authorities. To the extent that such REMIC taxes are not paid by the Holder of such Class of Class R Certificates, the Indenture Trustee shall pay any remaining REMIC taxes out of current or future amounts otherwise payable to the Holder of such Class R Certificates or, if no such amounts are available, out of other amounts held in the Collection Account from the related Loan Group, and shall reduce amounts otherwise payable to Holders of the related REMIC Regular Interests or the related Notes, as the case may be.

(8) The Indenture Trustee, shall, for federal income tax purposes, maintain or cause to be maintained books and records with respect to each REMIC on a calendar year and on an accrual basis.

(9) No additional contributions of assets shall be made to any REMIC, except as expressly provided in the Sale and Servicing Agreement with respect to Replacement Mortgage Loans.

(10) Neither the Indenture Trustee nor the Master Servicer shall enter into any arrangement by which any REMIC will receive a fee or other compensation for services.

(11) On or before April 15th of each calendar year beginning in 2008, the Master Servicer shall deliver to the Indenture Trustee and the Rating Agency an Officer's Certificate stating the Master Servicer's compliance with the provisions of this Section 11.01.

(12) The Indenture Trustee shall treat the Carryover Reserve Fund as an outside reserve fund within the meaning of Treasury Regulation Section 1.860G-2(h) that is owned by the Class 1-C Noteholders and Class 2-C Noteholders and that is not an asset of any REMIC. The Indenture Trustee shall treat the rights of the related Offered Notes to receive payments from the Carryover Reserve Fund in respect of Net Rate Carryover as a right in interest rate cap contracts written by the Class 1-C Noteholders and Class 2-C Noteholders, in favor of the related Offered Noteholders, and the Indenture Trustee shall account for such as property held separate and apart from the regular interests it holds in the REMICs created hereunder. This provision is intended to satisfy the requirements of Treasury Regulation Section 1.860G-2(i) for the treatment of property rights coupled with regular interests to be separately respected and shall be interpreted consistent with such regulation.

Section 10.02 Prohibited Transactions and Activities.

Neither the Seller, the Depositor, the Master Servicer nor the Indenture 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 Estate, (iii) the termination of any REMIC pursuant to Article X of this Agreement, (iv) a substitution pursuant to the Sale and Servicing Agreement or (v) a repurchase of Mortgage Loans pursuant to the Sale and Servicing Agreement, nor acquire any assets for any REMIC, nor sell or dispose of any investments in the Payment Account for gain, nor accept any contributions to any REMIC after the Closing Date, unless it 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 any REMIC as a REMIC or of the interests therein other than the Residual Notes as the regular interests therein, (b) affect the payment of interest or principal on the Notes, (c) result in the encumbrance of the assets transferred or assigned to the Trust Estate (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 10.03 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 Master Servicer of its duties and obligations set forth herein, the Master Servicer shall indemnify the Holder of the related Class R Certificates against any and all losses, claims, damages, liabilities or expenses ("Losses") resulting from such negligence; provided, however, that the Master Servicer shall not be liable for any such Losses attributable to the action or inaction of the Indenture Trustee, the Depositor or the Holder of such Class R Certificates, as applicable, nor for any such Losses resulting from misinformation provided by the Holder of such Class R Certificates on which the Master Servicer has relied. The foregoing shall not be deemed to limit or restrict the rights and remedies of the Holder of such Class R Certificates now or hereafter existing at law or in equity. Notwithstanding the foregoing, however, in no event shall the Master 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 Master

Servicer of its duties and obligations set forth herein, and (3) for any special or consequential damages to Noteholders (in addition to payment of principal and interest on the Notes).

Section 10.04 REMIC Payment Rules.

REMIC I-A

As provided herein, the Indenture Trustee will make an election to treat the segregated pool of assets consisting of the Group 1 Loans and certain other related assets (excluding the Carryover Reserve Fund, the Swap Contracts, the Swap Accounts, the Swap Contract Administration Agreement and any Master Servicer Prepayment Charge Payment Amounts) subject to this Agreement as a real estate mortgage investment conduit (a "REMIC") for federal income tax purposes, and such segregated pool of assets will be designated as "REMIC I-A." The Class R-I-A Interest will represent the sole class of "residual interests" in REMIC I-A for purposes of the REMIC Provisions (as defined herein) under federal income tax law. The following table irrevocably sets forth the designation, remittance rate (the "Uncertificated REMIC I-A Note Rate") and initial Uncertificated Principal Balance for each of the "regular interests" in REMIC I-A (the "REMIC I-A Regular Interests"). The "latest possible maturity date" (determined for purposes of satisfying Treasury regulation Section 1.860G-1(a)(4)(iii)) for each REMIC I-A Regular Interest shall be the Payment Date in July 2047. None of the REMIC I-A Regular Interests will be certificated.

Designation	Uncertificated REMIC I-A Note Rate	Uncertificated Principal Balance	Latest Possible Maturity Date
I	Variable[1]	$ 58,165,146.30	July 2047
I-1-A	Variable[1]	$ 418,750.42	July 2047
I-1-B	Variable[1]	$ 418,750.42	July 2047
I-2-A	Variable[1]	$ 473,570.89	July 2047
I-2-B	Variable[1]	$ 473,570.89	July 2047
I-3-A	Variable[1]	$ 511,533.25	July 2047
I-3-B	Variable[1]	$ 511,533.25	July 2047
I-4-A	Variable[1]	$ 541,101.97	July 2047
I-4-B	Variable[1]	$ 541,101.97	July 2047
I-5-A	Variable[1]	$ 504,244.19	July 2047
I-5-B	Variable[1]	$ 504,244.19	July 2047
I-6-A	Variable[1]	$ 512,885.47	July 2047
I-6-B	Variable[1]	$ 512,885.47	July 2047
I-7-A	Variable[1]	$ 593,816.69	July 2047
I-7-B	Variable[1]	$ 593,816.69	July 2047
I-8-A	Variable[1]	$ 575,740.55	July 2047
I-8-B	Variable[1]	$ 575,740.55	July 2047
I-9-A	Variable[1]	$ 605,673.08	July 2047
I-9-B	Variable[1]	$ 605,673.08	July 2047
I-10-A	Variable[1]	$ 586,288.61	July 2047
I-10-B	Variable[1]	$ 586,288.61	July 2047
I-11-A	Variable[1]	$ 538,040.81	July 2047
I-11-B	Variable[1]	$ 538,040.81	July 2047
I-12-A	Variable[1]	$ 519,561.29	July 2047
I-12-B	Variable[1]	$ 519,561.29	July 2047
I-13-A	Variable[1]	$ 488,359.05	July 2047
I-13-B	Variable[1]	$ 488,359.05	July 2047
I-14-A	Variable[1]	$ 662,813.31	July 2047

Designation	Uncertificated REMIC I-A Note Rate	Uncertificated Principal Balance	Latest Possible Maturity Date
I-14-B	Variable[1]	$ 662,813.31	July 2047
I-15-A	Variable[1]	$ 498,939.38	July 2047
I-15-B	Variable[1]	$ 498,939.38	July 2047
I-16-A	Variable[1]	$ 490,751.84	July 2047
I-16-B	Variable[1]	$ 490,751.84	July 2047
I-17-A	Variable[1]	$ 434,372.70	July 2047
I-17-B	Variable[1]	$ 434,372.70	July 2047
I-18-A	Variable[1]	$ 435,788.30	July 2047
I-18-B	Variable[1]	$ 435,788.30	July 2047
I-19-A	Variable[1]	$ 492,551.70	July 2047
I-19-B	Variable[1]	$ 492,551.70	July 2047
I-20-A	Variable[1]	$ 468,679.39	July 2047
I-20-B	Variable[1]	$ 468,679.39	July 2047
I-21-A	Variable[1]	$ 454,418.87	July 2047
I-21-B	Variable[1]	$ 454,418.87	July 2047
I-22-A	Variable[1]	$ 431,586.32	July 2047
I-22-B	Variable[1]	$ 431,586.32	July 2047
I-23-A	Variable[1]	$ 399,058.45	July 2047
I-23-B	Variable[1]	$ 399,058.45	July 2047
I-24-A	Variable[1]	$ 382,450.49	July 2047
I-24-B	Variable[1]	$ 382,450.49	July 2047
I-25-A	Variable[1]	$ 359,458.31	July 2047
I-25-B	Variable[1]	$ 359,458.31	July 2047
I-26-A	Variable[1]	$ 388,779.68	July 2047
I-26-B	Variable[1]	$ 388,779.68	July 2047
I-27-A	Variable[1]	$ 416,962.91	July 2047
I-27-B	Variable[1]	$ 416,962.91	July 2047
I-28-A	Variable[1]	$ 408,199.56	July 2047
I-28-B	Variable[1]	$ 408,199.56	July 2047
I-29-A	Variable[1]	$ 363,081.77	July 2047
I-29-B	Variable[1]	$ 363,081.77	July 2047
I-30-A	Variable[1]	$ 364,272.36	July 2047
I-30-B	Variable[1]	$ 364,272.36	July 2047
I-31-A	Variable[1]	$ 406,692.39	July 2047
I-31-B	Variable[1]	$ 406,692.39	July 2047
I-32-A	Variable[1]	$ 380,156.92	July 2047
I-32-B	Variable[1]	$ 380,156.92	July 2047
I-33-A	Variable[1]	$ 437,562.10	July 2047
I-33-B	Variable[1]	$ 437,562.10	July 2047
I-34-A	Variable[1]	$ 371,175.63	July 2047
I-34-B	Variable[1]	$ 371,175.63	July 2047
I-35-A	Variable[1]	$ 322,210.05	July 2047
I-35-B	Variable[1]	$ 322,210.05	July 2047
I-36-A	Variable[1]	$ 316,375.64	July 2047
I-36-B	Variable[1]	$ 316,375.64	July 2047
I-37-A	Variable[1]	$ 291,733.14	July 2047
I-37-B	Variable[1]	$ 291,733.14	July 2047
I-38-A	Variable[1]	$ 296,246.26	July 2047
I-38-B	Variable[1]	$ 296,246.26	July 2047
I-39-A	Variable[1]	$ 280,771.56	July 2047
I-39-B	Variable[1]	$ 280,771.56	July 2047
I-40-A	Variable[1]	$ 268,826.23	July 2047
I-40-B	Variable[1]	$ 268,826.23	July 2047
I-41-A	Variable[1]	$ 240,911.29	July 2047

Designation	Uncertificated REMIC I-A Note Rate	Uncertificated Principal Balance	Latest Possible Maturity Date
I-41-B	Variable[1]	$ 240,911.29	July 2047
I-42-A	Variable[1]	$ 224,847.34	July 2047
I-42-B	Variable[1]	$ 224,847.34	July 2047
I-43-A	Variable[1]	$ 243,694.03	July 2047
I-43-B	Variable[1]	$ 243,694.03	July 2047
I-44-A	Variable[1]	$ 224,166.61	July 2047
I-44-B	Variable[1]	$ 224,166.61	July 2047
I-45-A	Variable[1]	$ 232,034.31	July 2047
I-45-B	Variable[1]	$ 232,034.31	July 2047
I-46-A	Variable[1]	$ 224,673.37	July 2047
I-46-B	Variable[1]	$ 224,673.37	July 2047
I-47-A	Variable[1]	$ 200,492.56	July 2047
I-47-B	Variable[1]	$ 200,492.56	July 2047
I-48-A	Variable[1]	$ 200,061.35	July 2047
I-48-B	Variable[1]	$ 200,061.35	July 2047
I-49-A	Variable[1]	$ 186,879.89	July 2047
I-49-B	Variable[1]	$ 186,879.89	July 2047
I-50-A	Variable[1]	$ 197,846.98	July 2047
I-50-B	Variable[1]	$ 197,846.98	July 2047
I-51-A	Variable[1]	$ 222,110.44	July 2047
I-51-B	Variable[1]	$ 222,110.44	July 2047
I-52-A	Variable[1]	$ 221,139.58	July 2047
I-52-B	Variable[1]	$ 221,139.58	July 2047
I-53-A	Variable[1]	$ 180,616.36	July 2047
I-53-B	Variable[1]	$ 180,616.36	July 2047
I-54-A	Variable[1]	$ 164,248.19	July 2047
I-54-B	Variable[1]	$ 164,248.19	July 2047
I-55-A	Variable[1]	$ 192,625.61	July 2047
I-55-B	Variable[1]	$ 192,625.61	July 2047
I-56-A	Variable[1]	$ 196,452.27	July 2047
I-56-B	Variable[1]	$ 196,452.27	July 2047
I-57-A	Variable[1]	$ 202,855.20	July 2047
I-57-B	Variable[1]	$ 202,855.20	July 2047
I-58-A	Variable[1]	$ 194,521.49	July 2047
I-58-B	Variable[1]	$ 194,521.49	July 2047
I-59-A	Variable[1]	$ 175,306.82	July 2047
I-59-B	Variable[1]	$ 175,306.82	July 2047
I-60-A	Variable[1]	$ 8,822,656.06	July 2047
I-60-B	Variable[1]	$ 8,822,656.06	July 2047
I-P	Variable[1]	$ 100.00	July 2047
G	Variable[1]	$ 269,821.34	July 2047

(1) Calculated as provided in the definition of Uncertificated REMIC I-A Note Rate.

REMIC I-B

As provided herein, the Indenture Trustee will elect to treat the segregated pool of assets consisting of the REMIC I-A Regular Interests as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as REMIC I-B. The Class R-I-B Interest will represent the sole class of "residual interests" in REMIC I-B for purposes of the REMIC Provisions under federal income tax law. The following table irrevocably sets forth the

designation, remittance rate (the "Uncertificated REMIC I-B Note Rate") and initial Uncertificated Principal Balance for each of the "regular interests" in REMIC I-B (the "REMIC I-B Regular Interests"). The "latest possible maturity date" (determined for purposes of satisfying Treasury regulation Section 1.860G-1(a)(4)(iii)) for each REMIC I-B Regular Interest shall be the Payment Date which corresponds to the latest maturity date of any Mortgage Loan. None of the REMIC I-B Regular Interests will be certificated.

Designation	Uncertificated REMIC I-B Note Rate	Uncertificated Principal Balance	Latest Possible Maturity Date
I-LT-AA	Variable(1)	$ 116,667,420.93	July 2047
I-LT-A1	Variable(1)	$ 743,340.00	July 2047
I-LT-A2	Variable(1)	$ 185,830.00	July 2047
I-LT-M1	Variable(1)	$ 22,620.00	July 2047
I-LT-M2	Variable(1)	$ 24,400.00	July 2047
I-LT-M3	Variable(1)	$ 47,030.00	July 2047
I-LT-M4	Variable(1)	$ 13,090.00	July 2047
I-LT-M5	Variable(1)	$ 18,450.00	July 2047
I-LT-M6	Variable(1)	$ 10,120.00	July 2047
I-LT-B1	Variable(1)	$ 7,150.00	July 2047
I-LT-ZZ	Variable(1)	$ 1,308,937.77	July 2047
I-LT-P	Variable(1)	$ 100.00	July 2047
I-LT-G	Variable(1)	$ 269,821.34	July 2047
I-LT-IO	Variable(1)	(2)	July 2047

(1) Calculated as provided in the definition of Uncertificated REMIC I-B Note Rate.

(2) REMIC I-B Regular Interest I-LT-IO will not have an Uncertificated Principal Balance, but will accrue interest on its Uncertificated Notional Amount.

REMIC I-C

As provided herein, the Indenture Trustee will elect to treat the segregated pool of assets consisting of the REMIC I-B Regular Interests as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as REMIC I-C. The Class R-I-C Interest will represent the sole class of "residual interests" in REMIC I-C for purposes of the REMIC Provisions under federal income tax law. The following table irrevocably sets forth the designation, Note Rate and initial Note Principal Balance or Notional Amount for each Class of Notes comprising the interests representing "regular interests" in REMIC I-C. The "latest possible maturity date" (determined solely for purposes of satisfying Treasury Regulation Section 1.860G-1(a)(4)(iii)) for each Class of REMIC I-C Notes shall be the Payment Date in July 2047.

Designation	Note Rate	Initial Note Principal Balance or Notional Amount	Latest Possible Maturity Date
Class 1-A-1	(1)	$ 74,334,000.00	July 2047
Class 1-A-2	(1)	$ 18,583,000.00	July 2047
Class 1-M-1	(1)	$ 2,262,000.00	July 2047
Class 1-M-2	(1)	$ 2,440,000.00	July 2047
Class 1-M-3	(1)	$ 4,703,000.00	July 2047
Class 1-M-4	(1)	$ 1,309,000.00	July 2047
Class 1-M-5	(1)	$ 1,845,000.00	July 2047
Class 1-M-6	(1)	$ 1,012,000.00	July 2047

Class 1-B-1	(1)	$	715,000.00	July 2047
Class 1-C	(2)	$	119,048,388.70	July 2047
Class 1-P	(3)	$	100.00	July 2047
Class 1-G	(4)	$	269,821.34	July 2047

(1) Interest will accrue at a rate equal to the Note Rate, as defined herein.
(2) The Class 1-C Notes will accrue interest as described in the definition of Current Interest on its Notional Amount. The initial Notional Amount is set forth in the table above. The Class 1-C Notes will have an initial principal balance equal to $11,845,388.70 but will not accrue interest on such amount.
(3) For each Interest Accrual Period the Class 1-P Notes are entitled to Prepayment Charges with respect to the related Interest Accrual Period. The Class 1-P Notes will not accrue interest on its Note Principal Balance.
(4) The Class 1-G Notes will be entitled to 100% of amounts distributed on REMIC I-B Regular Interest LT-G.

REMIC II-A

As provided herein, the Indenture Trustee will make an election to treat the segregated pool of assets consisting of the Group 2 Loans and certain other related assets (excluding the Carryover Reserve Fund, the Swap Contracts, the Swap Accounts, the Swap Contract Administration Agreement and any Master Servicer Prepayment Charge Payment Amounts) subject to this Agreement as a real estate mortgage investment conduit (a "REMIC") for federal income tax purposes, and such segregated pool of assets will be designated as "REMIC II-A." The Class R-II-A Interest will represent the sole class of "residual interests" in REMIC II-A for purposes of the REMIC Provisions (as defined herein) under federal income tax law. The following table irrevocably sets forth the designation, remittance rate (the "Uncertificated REMIC II-A Note Rate") and initial Uncertificated Principal Balance for each of the "regular interests" in REMIC II-A (the "REMIC II-A Regular Interests"). The "latest possible maturity date" (determined for purposes of satisfying Treasury regulation Section 1.860G-1(a)(4)(iii)) for each REMIC II-A Regular Interest shall be the Payment Date in July 2047. None of the REMIC II-A Regular Interests will be certificated.

Designation	Uncertificated REMIC II-A Note Rate	Uncertificated Principal Balance	Latest Possible Maturity Date
I	Variable[1]	$ 23,186,234.49	July 2047
II-1-A	Variable[1]	$ 193,622.61	July 2047
II-1-B	Variable[1]	$ 193,622.61	July 2047
II-2-A	Variable[1]	$ 274,492.23	July 2047
II-2-B	Variable[1]	$ 274,492.23	July 2047
II-3-A	Variable[1]	$ 363,007.20	July 2047
II-3-B	Variable[1]	$ 363,007.20	July 2047
II-4-A	Variable[1]	$ 436,616.57	July 2047
II-4-B	Variable[1]	$ 436,616.57	July 2047
II-5-A	Variable[1]	$ 445,749.84	July 2047
II-5-B	Variable[1]	$ 445,749.84	July 2047
II-6-A	Variable[1]	$ 504,256.63	July 2047
II-6-B	Variable[1]	$ 504,256.63	July 2047
II-7-A	Variable[1]	$ 654,149.40	July 2047
II-7-B	Variable[1]	$ 654,149.40	July 2047
II-8-A	Variable[1]	$ 700,183.28	July 2047
II-8-B	Variable[1]	$ 700,183.28	July 2047
II-9-A	Variable[1]	$ 839,381.88	July 2047
II-9-B	Variable[1]	$ 839,381.88	July 2047
II-10-A	Variable[1]	$ 965,638.03	July 2047
II-10-B	Variable[1]	$ 965,638.03	July 2047
II-11-A	Variable[1]	$ 990,191.90	July 2047
II-11-B	Variable[1]	$ 990,191.90	July 2047
II-12-A	Variable[1]	$ 912,000.37	July 2047
II-12-B	Variable[1]	$ 912,000.37	July 2047
II-13-A	Variable[1]	$ 796,393.41	July 2047
II-13-B	Variable[1]	$ 796,393.41	July 2047
II-14-A	Variable[1]	$ 727,859.02	July 2047
II-14-B	Variable[1]	$ 727,859.02	July 2047
II-15-A	Variable[1]	$ 645,112.34	July 2047
II-15-B	Variable[1]	$ 645,112.34	July 2047
II-16-A	Variable[1]	$ 588,051.43	July 2047
II-16-B	Variable[1]	$ 588,051.43	July 2047
II-17-A	Variable[1]	$ 469,371.48	July 2047

Designation	Uncertificated REMIC II-A Note Rate	Uncertificated Principal Balance	Latest Possible Maturity Date
II-17-B	Variable[1]	$ 469,371.48	July 2047
II-18-A	Variable[1]	$ 431,544.96	July 2047
II-18-B	Variable[1]	$ 431,544.96	July 2047
II-19-A	Variable[1]	$ 467,515.27	July 2047
II-19-B	Variable[1]	$ 467,515.27	July 2047
II-20-A	Variable[1]	$ 449,799.94	July 2047
II-20-B	Variable[1]	$ 449,799.94	July 2047
II-21-A	Variable[1]	$ 613,634.74	July 2047
II-21-B	Variable[1]	$ 613,634.74	July 2047
II-22-A	Variable[1]	$ 790,088.10	July 2047
II-22-B	Variable[1]	$ 790,088.10	July 2047
II-23-A	Variable[1]	$ 775,532.77	July 2047
II-23-B	Variable[1]	$ 775,532.77	July 2047
II-24-A	Variable[1]	$ 652,369.06	July 2047
II-24-B	Variable[1]	$ 652,369.06	July 2047
II-25-A	Variable[1]	$ 526,761.38	July 2047
II-25-B	Variable[1]	$ 526,761.38	July 2047
II-26-A	Variable[1]	$ 464,877.00	July 2047
II-26-B	Variable[1]	$ 464,877.00	July 2047
II-27-A	Variable[1]	$ 410,077.77	July 2047
II-27-B	Variable[1]	$ 410,077.77	July 2047
II-28-A	Variable[1]	$ 374,467.10	July 2047
II-28-B	Variable[1]	$ 374,467.10	July 2047
II-29-A	Variable[1]	$ 305,805.86	July 2047
II-29-B	Variable[1]	$ 305,805.86	July 2047
II-30-A	Variable[1]	$ 289,514.14	July 2047
II-30-B	Variable[1]	$ 289,514.14	July 2047
II-31-A	Variable[1]	$ 319,337.04	July 2047
II-31-B	Variable[1]	$ 319,337.04	July 2047
II-32-A	Variable[1]	$ 295,418.47	July 2047
II-32-B	Variable[1]	$ 295,418.47	July 2047
II-33-A	Variable[1]	$ 302,759.85	July 2047
II-33-B	Variable[1]	$ 302,759.85	July 2047
II-34-A	Variable[1]	$ 301,704.99	July 2047
II-34-B	Variable[1]	$ 301,704.99	July 2047
II-35-A	Variable[1]	$ 280,825.32	July 2047
II-35-B	Variable[1]	$ 280,825.32	July 2047
II-36-A	Variable[1]	$ 9,176,954.73	July 2047
II-36-B	Variable[1]	$ 9,176,954.73	July 2047
II-P	Variable[1]	$ 100.00	July 2047
R	Variable[1]	$ 100.00	July 2047

(1) Calculated as provided in the definition of Uncertificated REMIC II-A Note Rate.

REMIC II-B

As provided herein, the Indenture Trustee will elect to treat the segregated pool of assets consisting of the REMIC II-A Regular Interests as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as REMIC II-B. The Class R-II-B Interest will represent the sole class of "residual interests" in REMIC II-B for purposes of the REMIC Provisions under federal income tax law. The following table irrevocably sets forth the designation, remittance rate (the "Uncertificated REMIC II-B Note Rate") and initial Uncertificated Principal Balance for each of the "regular interests" in REMIC II-B (the "REMIC II-B Regular Interests"). The "latest possible maturity date" (determined for purposes of satisfying Treasury regulation Section 1.860G-1(a)(4)(iii)) for each REMIC II-B Regular Interest shall be the Payment Date which corresponds to the latest maturity date of any Mortgage Loan. None of the REMIC II-B Regular Interests will be certificated.

Designation	Uncertificated REMIC II-B Note Rate	Uncertificated Principal Balance	Latest Possible Maturity Date
II-LT-AA	Variable(1)	$ 77,083,239.34	July 2047
II-LT-A1	Variable(1)	$ 502,770.00	July 2047
II-LT-A2	Variable(1)	$ 125,690.00	July 2047
II-LT-M1	Variable(1)	$ 13,370.00	July 2047
II-LT-M2	Variable(1)	$ 20,840.00	July 2047
II-LT-M3	Variable(1)	$ 36,190.00	July 2047
II-LT-M4	Variable(1)	$ 8,260.00	July 2047
II-LT-M5	Variable(1)	$ 28,310.00	July 2047
II-LT-M6	Variable(1)	$ 3,930.00	July 2047
II-LT-B1	Variable(1)	$ 3,940.00	July 2047
II-LT-ZZ	Variable(1)	$ 829,827.33	July 2047
II-LT-P	Variable(1)	$ 100.00	July 2047
II-LT-2R	Variable(1)	$ 100.00	July 2047
II-LT-IO	Variable(1)	(2)	July 2047

(1) Calculated as provided in the definition of Uncertificated REMIC II-B Note Rate.

(2) REMIC II-B Regular Interest II-LT-IO will not have an Uncertificated Principal Balance, but will accrue interest on its Uncertificated Notional Amount.

REMIC II-C

As provided herein, the Indenture Trustee will elect to treat the segregated pool of assets consisting of the REMIC II-B Regular Interests as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as REMIC II-C. The Class R-II-C Interest will represent the sole class of "residual interests" in REMIC II-C for purposes of the REMIC Provisions under federal income tax law. The following table irrevocably sets forth the designation, Note Rate and initial Note Principal Balance or Notional Amount for each Class of Notes comprising the interests representing "regular interests" in REMIC II-C. The "latest possible maturity date" (determined solely for purposes of satisfying Treasury Regulation Section 1.860G-1(a)(4)(iii)) for each Class of REMIC II-C Notes shall be the Payment Date in July 2047.

Designation	Note Rate	Initial Note Principal Balance or Notional Amount	Latest Possible Maturity Date
Class 2-A-1	(1)	$ 50,277,000.00	July 2047
Class 2-A-2	(1)	$ 12,569,000.00	July 2047
Class 2-M-1	(1)	$ 1,337,000.00	July 2047
Class 2-M-2	(1)	$ 2,084,000.00	July 2047
Class 2-M-3	(1)	$ 3,619,000.00	July 2047
Class 2-M-4	(1)	$ 826,000.00	July 2047
Class 2-M-5	(1)	$ 2,831,000.00	July 2047
Class 2-M-6	(1)	$ 393,000.00	July 2047
Class 2-B-1	(1)	$ 394,000.00	July 2047
Class 2-C	(2)	$ 78,656,366.67	July 2047
Class 2-P	(3)	$ 100.00	July 2047
Class 2-R	(4)	$ 100.00	July 2047

(1) Interest will accrue at a rate equal to the Note Rate, as defined herein.
(2) The Class 2-C Notes will accrue interest as described in the definition of Current Interest on its Notional Amount. The initial Notional Amount is set forth in the table above. The Class 2-C Notes will have an initial principal balance equal to $4,326,366.67 but will not accrue interest on such amount.
(3) For each Interest Accrual Period the Class 2-P Notes are entitled to Prepayment Charges with respect to the related Interest Accrual Period. The Class 2-P Notes will not accrue interest on its Note Principal Balance.
(4) For each Interest Accrual Period the Class 2-P Notes are entitled to all distributions with respect to the REMIC II-C Regular Interest II-LT-2R. The Class 2-R Notes will not accrue interest on its Note Principal Balance.

On each Payment Date in connection with the Group 1 Loans, the following amounts, in the following order of priority, shall be distributed by REMIC I-A to REMIC I-B on account of the REMIC I-A Regular Interests and distributed to the holders of the Class 1-R Certificates (in respect of the R-I-A Interest), as the case may be:

(1) to Holders of each of REMIC I-A Regular Interest I and REMIC I-A Regular Interest I-1-A through I-60-B, on a *pro rata* basis, in an amount equal to (A) Uncertificated Accrued Interest for such REMIC I-A Regular Interests for such Payment Date, plus (B) any amounts payable in respect thereof remaining unpaid from previous Payment Dates;

(2) to the extent of amounts remaining after the distributions made pursuant to clause (A) above, payments of principal shall be allocated to REMIC I-A Regular interests I-1-A through I-60-B starting with the lowest numerical denomination until the Uncertificated Principal Balance of each such REMIC I-A Regular Interest is reduced to zero, provided that, for REMIC I-A Regular Interests with the same numerical denomination, such payments of principal shall be allocated pro rata between such REMIC I-A Regular Interests;

(3) to the Holders of REMIC I-A Regular Interest I-P, (A) on each Payment Date, 100% of the amount paid in respect of Prepayment Charges to the extent they are distributed to the Holders of the Corresponding Note and (B) on the Payment Date on which the Corresponding Note's Note Principal Balance is reduced pursuant to Section 4.02(f), 100% of the amounts distributed on the Corresponding Note in reduction of its

Note Principal Balance until the Uncertificated Principal Balance of REMIC I-A Regular Interest I-P has been reduced to zero pursuant to this clause; and

(4) to the Holders of REMIC I-A Regular Interest G, any Arrearages collected on any Mortgage Loans during the related Due Period in reduction of its Uncertificated Principal Balance, until its Uncertificated Principal Balance has been reduced to zero.

On each Payment Date in connection with the Group 1 Loans the following amounts, in the following order of priority, shall be distributed by REMIC I-B to REMIC I-C on account of the REMIC I-B Regular Interests or withdrawn from the Payment Account and distributed to the holders of the Class 1-R Certificates (in respect of the Class R-I-B Interest), as the case may be:

(i) to Holders of REMIC I-B Regular Interest I-LT-1AA, REMIC I-B Regular Interest I-LT-1A1, REMIC I-B Regular Interest I-LT-1A2, REMIC I-B Regular Interest I-LT-1M1, REMIC I-B Regular Interest I-LT-1M2, REMIC I-B Regular Interest I-LT-1M3, REMIC I-B Regular Interest I-LT-1M4, REMIC I-B Regular Interest I-LT-1M5, REMIC I-B Regular Interest I-LT-1M6, REMIC I-B Regular Interest I-LT-1B1 and REMIC I-B Regular Interest I-LT-1ZZ, pro rata, in an amount equal to (A) the Uncertificated Accrued Interest for such Payment Date, plus (B) any amounts in respect thereof remaining unpaid from previous Payment Dates. Amounts payable as Uncertificated Accrued Interest in respect of REMIC I-B Regular Interest I-LT-1ZZ shall be reduced and deferred when the REMIC I-B Overcollateralized Amount is less than the REMIC I-B Overcollateralization Target Amount, by the lesser of (x) the amount of such difference and (y) the REMIC I-B Regular Interest I-LT-1ZZ Maximum Interest Deferral Amount and such amount will be payable to the Holders of REMIC I-B Regular Interest I-LT-1A1, REMIC I-B Regular Interest I-LT-1A2, REMIC I-B Regular Interest I-LT-1M1, REMIC I-B Regular Interest I-LT-1M2, REMIC I-B Regular Interest I-LT-1M3, REMIC I-B Regular Interest I-LT-1M4, REMIC I-B Regular Interest I-LT-1M5, REMIC I-B Regular Interest I-LT-1M6 and REMIC I-B Regular Interest I-LT-1B1, in the same proportion as the Group 1 Overcollateralization Deficiency Amount is allocated to the Corresponding Notes, and the Uncertificated Principal Balance of REMIC I-B Regular Interest I-LT-1ZZ shall be increased by such amount;

(ii) second, to the Holders of REMIC I-B Regular Interests, in an amount equal to the remainder of the aggregate of Interest Funds and Principal Distribution Amount for such Payment Date after the distributions made pursuant to clause (i) above, allocated as follows:

(1) 98.00% of such remainder (other than amounts payable under clauses (iii) (iv) below), to the Holders of REMIC I-B Regular Interest I-LT-1AA, until the Uncertificated Balance of such REMIC I-B Regular Interest is reduced to zero;

(2) 2.00% of such remainder (other than amounts payable under Clause (C) below) first, to the Holders of REMIC I-B Regular Interest I-LT-1A1, REMIC I-B Regular Interest I-LT-1A2, REMIC I-B Regular Interest I-LT-1M1, REMIC I-B Regular Interest I-LT-1M2, REMIC I-B Regular Interest I-LT-1M3, REMIC I-B Regular Interest I-LT-1M4, REMIC I-B Regular Interest I-LT-1M5, REMIC I-B Regular Interest I-LT-1M6 and REMIC I-B Regular Interest I-LT-1B1, 1.00% of such remainder (other than amounts payable under clauses (iii) and (iv) below), in the same proportion as principal payments are allocated to the Corresponding Notes, until the Uncertificated Principal Balances of such REMIC I-B Regular Interests are

reduced to zero and second, to the Holders of REMIC I-B Regular Interest I-LT-1ZZ, 1.00% of such remainder (other than amounts payable under clause (d) below), until the Uncertificated Principal Balance of such REMIC I-B Regular Interest is reduced to zero and second;

(3) any remaining amount to the Holders of the Class 1-R Certificates (in respect of the Class R-I-B Interest); and

provided, however, that (i) 98.00% and (ii) 2.00% of any principal payments that are attributable to an Overcollateralization Reduction Amount shall be allocated to Holders of (i) REMIC I-B Regular Interest I-LT-1AA and (ii) REMIC 1 Regular Interest I-LT-1ZZ, respectively.

(i) On each Payment Date, all amounts representing Prepayment Charges in respect of the Group 1 Loans received during the related Prepayment Period will be distributed by REMIC I-B to the Holders of REMIC I-B Regular Interest I-LT-P. The payment of the foregoing amounts to the Holders of REMIC I-B Regular Interest I-LT-P shall not reduce the Uncertificated Principal Balance thereof. Beginning with the first Payment Date immediately following the expiration of the latest Prepayment Charge as identified on the Prepayment Charge Schedule or any Payment Date thereafter, such amount shall be distributed to REMIC I-B Regular Interest I-LT-P, until $100 has been distributed pursuant to this clause.

(ii) On each Payment Date, REMIC I-B Regular Interest I-LT-1G shall be entitled to any Arrearages collected on any Group 1 Loans during the related Due Period in reduction of its Uncertificated Principal Balance, until its Uncertificated Principal Balance has been reduced to zero.

All Realized Losses on the Group 1 Loans shall be allocated by the Indenture Trustee on each Payment Date to the following REMIC I-B Regular Interests in the specified percentages, as follows: first, to Uncertificated Accrued Interest payable to the REMIC I-B Regular Interest I-LT-1AA and REMIC I-B Regular Interest I-LT-1ZZ up to an aggregate amount equal to the REMIC I-B Interest Loss Allocation Amount, 98% and 2%, respectively; second, to the Uncertificated Principal Balances of the REMIC I-B Regular Interest I-LT-1AA and REMIC I-B Regular Interest I-LT-1ZZ up to an aggregate amount equal to the REMIC I-B Principal Loss Allocation Amount, 98% and 2%, respectively; third, to the Uncertificated Principal Balances of REMIC I-B Regular Interest I-LT-1AA, REMIC I-B Regular Interest I-LT-1B1 and REMIC I-B Regular Interest I-LT-1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC I-B Regular Interest I-LT-1B1 has been reduced to zero; fourth to the Uncertificated Principal Balances of REMIC I-B Regular Interest I-LT-1AA, REMIC I-B Regular Interest I-LT-1M6 and REMIC I-B Regular Interest I-LT-1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC I-B Regular Interest I-LT-1M6 has been reduced to zero; fifth to the Uncertificated Principal Balances of REMIC I-B Regular Interest I-LT-1AA, REMIC I-B Regular Interest I-LT-1M5 and REMIC I-B Regular Interest I-LT-1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC I-B Regular Interest I-LT-1M5 has been reduced to zero; sixth, to the Uncertificated Principal Balances of REMIC I-B Regular Interest I-LT-1AA, REMIC I-B Regular Interest I-LT-1M4 and REMIC I-B Regular Interest I-LT-1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC I-B Regular Interest I-LT-1M4 has been reduced to zero; seventh to the Uncertificated Principal Balances of REMIC I-B Regular Interest I-LT-1AA, REMIC I-B Regular Interest I-LT-1M3 and REMIC I-B Regular

Interest I-LT-1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC I-B Regular Interest I-LT-1M3 has been reduced to zero; eighth to the Uncertificated Principal Balances of REMIC I-B Regular Interest I-LT-1AA, REMIC I-B Regular Interest I-LT-1M2 and REMIC I-B Regular Interest I-LT-1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC I-B Regular Interest I-LT-1M2 has been reduced to zero, ninth, to the Uncertificated Principal Balances of REMIC I-B Regular Interest I-LT-1AA, REMIC I-B Regular Interest I-LT-1M1 and REMIC I-B Regular Interest I-LT-1ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC I-B Regular Interest I-LT-1M1 has been reduced to zero, tenth, to the Uncertificated Principal Balances of REMIC I-B Regular Interest I-LT-1AA, 98%, REMIC I-B Regular Interest I-LT-1A2, 1%, and REMIC I-B Regular Interest I-LT-1ZZ, 1%, respectively, until the Uncertificated Balance of REMIC I-B Regular Interest I-LT-1A2 has been reduced to zero, and eleventh, to the Uncertificated Principal Balances of REMIC I-B Regular Interest I-LT-1AA, 98%, REMIC I-B Regular Interest I-LT-1A1, 1%, and REMIC I-B Regular Interest I-LT-1ZZ, 1%, respectively, until the Uncertificated Balance of REMIC I-B Regular Interest I-LT-1A1 has been reduced to zero.

All Net Deferred Interest on the Group 1 Loans shall be allocated by the Indenture Trustee on each Payment Date to the following REMIC I-B Regular Interests in the specified percentages, as follows: first, to Uncertificated Accrued Interest payable to the REMIC I-B Regular Interest I-LT-1AA and REMIC I-B Regular Interest I-LT-1ZZ up to an aggregate amount equal to the REMIC I-B Interest Loss Allocation Amount, 98% and 2%, respectively; then, any remaining Net Deferred Interest shall be allocated *pro rata* among the REMIC I-B Regular Interests in proportion to the extent to which the Note Rates on the Corresponding Notes were capped at the Net Rate Cap.

On each Payment Date in connection with the Group 2 Loans the following amounts, in the following order of priority, shall be distributed by REMIC II-A to REMIC II-B on account of the REMIC II-A Regular Interests or withdrawn from the Payment Account and distributed to the holders of the Class 2-R Certificates (in respect of the Class R-II-A Interest), as the case may be:

(1) to Holders of each of REMIC II-A Regular Interest I and REMIC II-A Regular Interest II-1-A through II-36-B, on a *pro rata* basis, in an amount equal to (A) Uncertificated Accrued Interest for such REMIC II-A Regular Interests for such Payment Date, plus (B) any amounts payable in respect thereof remaining unpaid from previous Payment Dates;

(2) to the extent of amounts remaining after the distributions made pursuant to clause (A) above, payments of principal shall be allocated to REMIC II-A Regular interests II-1-A through II-36-B starting with the lowest numerical denomination until the Uncertificated Principal Balance of each such REMIC II-A Regular Interest is reduced to zero, provided that, for REMIC II-A Regular Interests with the same numerical denomination, such payments of principal shall be allocated pro rata between such REMIC II-A Regular Interests;

(3) to the Holders of REMIC II-A Regular Interest II-P, (A) on each Payment Date, 100% of the amount paid in respect of Prepayment Charges to the extent they are

distributed to the Holders of the Corresponding Note and (B) on the Payment Date on which the Corresponding Note's Note Principal Balance is reduced pursuant to Section 4.02(f), 100% of the amounts distributed on the Corresponding Note in reduction of its Note Principal Balance until the Uncertificated Principal Balance of REMIC II-A Regular Interest II-P has been reduced to zero pursuant to this clause; and

(4) to the Holders of REMIC II-A Regular Interest R until its Uncertificated Principal Balance has been reduced to zero.

On each Payment Date in connection with the Group 2 Loans the following amounts, in the following order of priority, shall be distributed by REMIC II-B to REMIC II-C on account of the REMIC II-B Regular Interests or withdrawn from the Payment Account and distributed to the holders of the Class 2-R Certificates (in respect of the Class R-II-B Interest), as the case may be:

(i) to Holders of REMIC II-B Regular Interest II-LT-2AA, REMIC II-B Regular Interest II-LT-2A1, REMIC II-B Regular Interest II-LT-2A2, REMIC II-B Regular Interest II-LT-2M1, REMIC II-B Regular Interest II-LT-2M2, REMIC II-B Regular Interest II-LT-2M3, REMIC II-B Regular Interest II-LT-2M4, REMIC II-B Regular Interest II-LT-2M5, REMIC II-B Regular Interest II-LT-2M6, REMIC II-B Regular Interest II-LT-2B1 and REMIC II-B Regular Interest II-LT-2ZZ, pro rata, in an amount equal to (A) the Uncertificated Accrued Interest for such Payment Date, plus (B) any amounts in respect thereof remaining unpaid from previous Payment Dates. Amounts payable as Uncertificated Accrued Interest in respect of REMIC II-B Regular Interest II-LT-2ZZ shall be reduced and deferred when the REMIC II-B Overcollateralized Amount is less than the REMIC II-B Overcollateralization Target Amount, by the lesser of (x) the amount of such difference and (y) the REMIC II-B Regular Interest II-LT-2ZZ Maximum Interest Deferral Amount and such amount will be payable to the Holders of REMIC II-B Regular Interest II-LT-2A1, REMIC II-B Regular Interest II-LT-2A2, REMIC II-B Regular Interest II-LT-2M1, REMIC II-B Regular Interest II-LT-2M2, REMIC II-B Regular Interest II-LT-2M3, REMIC II-B Regular Interest II-LT-2M4, REMIC II-B Regular Interest II-LT-2M5, REMIC II-B Regular Interest II-LT-2M6 and REMIC II-B Regular Interest II-LT-2B1, in the same proportion as the Group 2 Overcollateralization Deficiency Amount is allocated to the Corresponding Notes, and the Uncertificated Principal Balance of REMIC II-B Regular Interest II-LT-2ZZ shall be increased by such amount;

(ii) second, to the Holders of REMIC II-B Regular Interests, in an amount equal to the remainder of the aggregate of Interest Funds and Principal Distribution Amount for such Payment Date after the distributions made pursuant to clause (i) above, allocated as follows:

(4) 98.00% of such remainder (other than amounts payable under clauses (iii) (iv) below), to the Holders of REMIC II-B Regular Interest II-LT-2AA, until the Uncertificated Balance of such REMIC II-B Regular Interest is reduced to zero;

(5) 2.00% of such remainder (other than amounts payable under Clause (C) below) first, to the Holders of REMIC II-B Regular Interest II-LT-2A1, REMIC II-B Regular Interest II-LT-2A2, REMIC II-B Regular Interest II-LT-2M1, REMIC II-B Regular Interest II-LT-2M2, REMIC II-B Regular Interest II-LT-2M3, REMIC II-B Regular Interest II-LT-2M4, REMIC II-B

Regular Interest II-LT-2M5, REMIC II-B Regular Interest II-LT-2M6 and REMIC II-B Regular Interest II-LT-2B1 1.00% of such remainder (other than amounts payable under clauses (iii) and (iv) below), in the same proportion as principal payments are allocated to the Corresponding Notes, until the Uncertificated Principal Balances of such REMIC II-B Regular Interests are reduced to zero and second, to the Holders of REMIC II-B Regular Interest II-LT-2ZZ, 1.00% of such remainder (other than amounts payable under clause (d) below), until the Uncertificated Principal Balance of such REMIC II-B Regular Interest is reduced to zero and second;

(6) any remaining amount to the Holders of the Class 2-R Certificates (in respect of the Class R-II-B Interest); and

provided, however, that (i) 98.00% and (ii) 2.00% of any principal payments that are attributable to an Overcollateralization Reduction Amount shall be allocated to Holders of (i) REMIC II-B Regular Interest I-LT-1AA and (ii) REMIC 1 Regular Interest I-LT-1ZZ, respectively.

On each Payment Date, all amounts representing Prepayment Charges in respect of the Group 2 Loans received during the related Prepayment Period will be distributed by REMIC II-B to the Holders of REMIC II-B Regular Interest II-LT-P. The payment of the foregoing amounts to the Holders of REMIC II-B Regular Interest II-LT-P shall not reduce the Uncertificated Principal Balance thereof. Beginning with the first Payment Date immediately following the expiration of the latest Prepayment Charge as identified on the Prepayment Charge Schedule or any Payment Date thereafter, such amount shall be distributed to REMIC II-B Regular Interest II-LT-P, until $100 has been distributed pursuant to this clause.

All Realized Losses on the Group 2 Loans shall be allocated by the Indenture Trustee on each Payment Date to the following REMIC II-B Regular Interests in the specified percentages, as follows: first, to Uncertificated Accrued Interest payable to the REMIC II-B Regular Interest II-LT-2AA and REMIC II-B Regular Interest II-LT-2ZZ up to an aggregate amount equal to the REMIC II-B Interest Loss Allocation Amount, 98% and 2%, respectively; second, to the Uncertificated Principal Balances of the REMIC II-B Regular Interest II-LT-2AA and REMIC II-B Regular Interest II-LT-2ZZ up to an aggregate amount equal to the REMIC II-B Principal Loss Allocation Amount, 98% and 2%, respectively; third, to the Uncertificated Principal Balances of REMIC II-B Regular Interest II-LT-2AA, REMIC II-B Regular Interest II-LT-2B1 and REMIC II-B Regular Interest II-LT-2ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC II-B Regular Interest II-LT-2B1 has been reduced to zero; fourth, to the Uncertificated Principal Balances of REMIC II-B Regular Interest II-LT-2AA, REMIC II-B Regular Interest II-LT-2M6 and REMIC II-B Regular Interest II-LT-2ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC II-B Regular Interest II-LT-2M6 has been reduced to zero; fifth, to the Uncertificated Principal Balances of REMIC II-B Regular Interest II-LT-2AA, REMIC II-B Regular Interest II-LT-2M5 and REMIC II-B Regular Interest II-LT-2ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC II-B Regular Interest II-LT-2M5 has been reduced to zero; sixth, to the Uncertificated Principal Balances of REMIC II-B Regular Interest II-LT-2AA, REMIC II-B Regular Interest II-LT-2M4 and REMIC II-B Regular Interest II-LT-2ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC II-B Regular Interest II-LT-2M4 has been reduced to zero; seventh, to the Uncertificated Principal Balances of REMIC II-B Regular Interest II-LT-2AA, REMIC II-B Regular Interest II-LT-2M3 and REMIC II-B Regular Interest II-LT-2ZZ, 98%, 1%

and 1%, respectively, until the Uncertificated Balance of REMIC II-B Regular Interest II-LT-2M3 has been reduced to zero; eighth, to the Uncertificated Principal Balances of REMIC II-B Regular Interest II-LT-2AA, REMIC II-B Regular Interest II-LT-2M2 and REMIC II-B Regular Interest II-LT-2ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC II-B Regular Interest II-LT-2M2 has been reduced to zero; ninth, to the Uncertificated Principal Balances of REMIC II-B Regular Interest II-LT-2AA, REMIC II-B Regular Interest II-LT-2M1 and REMIC II-B Regular Interest II-LT-2ZZ, 98%, 1% and 1%, respectively, until the Uncertificated Balance of REMIC II-B Regular Interest II-LT-2M1 has been reduced to zero; tenth, to the Uncertificated Principal Balances of REMIC II-B Regular Interest II-LT-2AA, 98%, REMIC II-B Regular Interest II-LT-2A2, 1% and REMIC II-B Regular Interest II-LT-2ZZ, 1%, respectively, until the Uncertificated Balance of REMIC II-B Regular Interest II-LT-2A2 has been reduced to zero; eleventh, to the Uncertificated Principal Balances of REMIC II-B Regular Interest II-LT-2AA, 98%, REMIC II-B Regular Interest II-LT-2A1, 1% and REMIC II-B Regular Interest II-LT-2ZZ, 1%, respectively, until the Uncertificated Balance of REMIC II-B Regular Interest II-LT-2A1 has been reduced to zero.

ARTICLE XI.

MISCELLANEOUS

Section 11.01 Compliance Certificates and Opinions, etc. (1) Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and (ii) an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with;

(4) a statement as to whether, in the opinion of each such signatory, such condition or covenant has been complied with; and

(5) if the signatory of such certificate or opinion is required to be Independent, the statement required by the definition of the term "Independent".

(2) (i) Prior to the deposit of any Collateral or other property or securities with the Indenture Trustee that is to be made the basis for the release of any property or securities subject to the lien of this Indenture, the Issuer shall, in addition to any obligation imposed in Section 11.01 (a) or elsewhere in this Indenture, furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days prior to such deposit) to the Issuer of the Collateral or other property or securities to be so deposited and a report from a nationally recognized accounting firm verifying such value.

(ii) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (i) above, the Issuer shall also deliver to the Indenture Trustee

an Independent Certificate from a nationally recognized accounting firm as to the same matters, if the fair value of the securities to be so deposited and of all other such securities made the basis of any such withdrawal or release since the commencement of the then current fiscal year of the Issuer, as set forth in the certificates delivered pursuant to clause (i) above and this clause (ii), is 10% or more of the Note Principal Balances of the Notes, but such a certificate need not be furnished with respect to any securities so deposited, if the fair value thereof as set forth in the related Officer's Certificate is less than $25,000 or less than one percent of the Note Principal Balances of the Notes.

(iii) Whenever any property or securities are to be released from the lien of this Indenture, the Issuer shall also furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days prior to such release) of the property or securities proposed to be released and stating that in the opinion of such person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(iv) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (iii) above, the Issuer shall also furnish to the Indenture Trustee an Independent Certificate as to the same matters if the fair value of the property or securities and of all other property or securities released from the lien of this Indenture since the commencement of the then-current calendar year, as set forth in the certificates required by clause (iii) above and this clause (iv), equals 10% or more of the Note Principal Balances of the Notes, but such certificate need not be furnished in the case of any release of property or securities if the fair value thereof as set forth in the related Officer's Certificate is less than $25,000 or less than one percent of the then Note Principal Balances of the Notes.

Section 11.02 Form of Documents Delivered to Indenture Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Authorized Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate of an Authorized Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Seller or the Issuer, stating that the information with respect to such factual matters is in the possession of the Seller or the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article VI.

Section 11.03 Acts of Noteholders. (1) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents 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 Indenture Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Noteholders 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 Indenture and (subject to Section 6.01 hereof) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section 10.03 hereof.

(2) The fact and date of the execution by any person of any such instrument or writing may be proved in any manner that the Indenture Trustee deems sufficient.

(3) The ownership of Notes shall be proved by the Note Registrar.

(4) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Notes shall bind the Holder of every Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

Section 11.04 Notices etc., to Indenture Trustee Issuer and Rating Agency. Any request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this Indenture shall be in writing and if such request, demand, authorization, direction, notice, consent, waiver or act of Noteholders is to be made upon, given or furnished to or filed with:

(i) the Indenture Trustee by any Noteholder or by the Issuer shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or

with the Indenture Trustee at the Corporate Trust Office. The Indenture Trustee shall promptly transmit any notice received by it from the Noteholders to the Issuer; or

(ii) the Issuer by the Indenture Trustee or by any Noteholder shall be sufficient for every purpose hereunder if in writing and mailed first-class, postage prepaid to the Issuer addressed to: CWABS Asset-Backed Notes Trust 2007-SEA2, in care of Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19990-0001, Attention: Corporate Trust Administration, or at any other address previously furnished in writing to the Indenture Trustee by the Issuer. The Issuer shall promptly transmit any notice received by it from the Noteholders to the Indenture Trustee.

Notices required to be given to the Rating Agency by the Issuer, the Indenture Trustee or the Owner Trustee shall be in writing, mailed first-class postage pre-paid, to Standard & Poor's, at the following address: Standard & Poor's, 55 Water Street, 41st Floor, New York, New York 10041, Attention of Asset Backed Surveillance Department; or as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

Notices required to be given to the Group 1 Swap Counterparty or Group 2 Swap Counterparty by the Issuing Entity, the Indenture Trustee or the Owner Trustee shall be in writing, mailed first-class postage pre-paid, to Lehman Brothers Special Financing Inc. c/o Lehman Brothers Inc., Transaction Management Division, 745 Seventh Avenue, New York, NY, 10019, Attention: Document Manager; or at such other address as shall be designated by written notice to the other parties.

Section 11.05 Notices to Noteholders; Waiver. Where this Indenture provides for notice to Noteholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class, postage prepaid to each Noteholder affected by such event, at such Person's address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given regardless of whether such notice is in fact actually received.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

Where this Indenture provides for notice to the Rating Agency, failure to give such notice shall not affect any other rights or obligations created hereunder, and shall not under any circumstance constitute an Event of Default.

Section 11.06 Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 11.07 Successors and Assigns. All covenants and agreements in this Indenture and the Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Indenture Trustee in this Indenture shall bind its successors, co-trustees and agents.

Section 11.08 Separability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11.09 [Reserved].

Section 11.10 Legal Holidays. In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Notes or this Indenture) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

Section 11.11 GOVERNING LAW. THIS INDENTURE SHALL BE 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 LAWS), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 11.12 Counterparts. This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 11.13 Recording of Indenture. If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel at its expense (which may be counsel to the Indenture Trustee or any other counsel reasonably acceptable to the Indenture Trustee) to the effect that such recording is necessary either for the protection of the Noteholders or any other Person secured hereunder or for the enforcement of any right or remedy granted to the Indenture Trustee under this Indenture.

Section 11.14 Issuer Obligation. No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Indenture Trustee on the Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (i) the Indenture Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer,

director, employee or agent of the Indenture Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Owner Trustee or the Indenture Trustee or of any successor or assign of the Indenture Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Indenture Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity. For all purposes of this Indenture, in the performance of any duties or obligations of the Issuer hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and provisions of Article VI, VII and VIII of the Trust Agreement.

Section 11.15 No Petition. The Indenture Trustee, by entering into this Indenture, and each Noteholder, by accepting a Note, hereby covenant and agree that they will not at any time prior to one year from the date of termination hereof, institute against the Depositor or the Issuer, or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, this Indenture or any of the Basic Documents.

Section 11.16 Inspection. The Issuer agrees that, at its expense, on reasonable prior notice, it shall permit any representative of the Indenture Trustee, during the Issuer's normal business hours, to examine all the books of account, records, reports and other papers of the Issuer, to make copies and extracts therefrom, to cause such books to be audited by Independent certified public accountants, and to discuss the Issuer's affairs, finances and accounts with the Issuer's officers, employees, and Independent certified public accountants, all at such reasonable times and as often as may be reasonably requested. The Indenture Trustee shall cause its representatives to hold in confidence all such information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing) and except to the extent that the Indenture Trustee may reasonably determine that such disclosure is consistent with its obligations hereunder.

IN WITNESS WHEREOF, the Issuer and the Indenture 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.

CWABS ASSET-BACKED NOTES
TRUST 2007-SEA2, as Issuer

By: Wilmington Trust Company, not in its individual capacity but solely as Owner Trustee

By: _____
Name: Ian P. Monigle
Title: Financial Services Officer

THE BANK OF NEW YORK, as Indenture Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Issuer and the Indenture 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.

CWABS ASSET-BACKED NOTES
TRUST 2007-SEA2, as Issuer

By: Wilmington Trust Company, not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title:

THE BANK OF NEW YORK, as Indenture Trustee

By: _____
Name: MICHAEL CERCHIO
Title: ASSISTANT TREASURER

STATE OF DELAWARE)
) ss.:
COUNTY OF NEW CASTLE)

On this 4th day of October, 2007, before me personally appeared Ian P. Monigle to me known, who being by me duly sworn, did depose and say, that s/he is a(n) Financial Services Officer of the Owner Trustee, one of the entities described in and which executed the above instrument; and that she signed her name thereto by like order.

Notary Public

NOTARY PUBLIC

[NOTARIAL SEAL]

KATHERINE C. JANNUZZIO
Notary Public - Delaware
My Comm. Expires June 10, 2008

STATE OF NEW YORK)
) ss.:
COUNTY OFNEW YORK)

On this 11 day of October, 2007, before me personally appeared Michael Cerchio to me known, who being by me duly sworn, did depose and say, that s/he is a(n) Assistant Treasurer of the Indenture Trustee, one of the corporations described in and which executed the above instrument; and that he signed his name thereto by like order.

Notary Public

Rachel Weiss

NOTARY PUBLIC

RAHELY WEISS
NOTARY PUBLIC, State of New York
No. 01WE6159293
Qualified in Kings County
Commission Expires January 16, 2011

[NOTARIAL SEAL]

EXHIBIT A-1

Exhibit A-1
through A-3
[Exhibits A-1 through A-3 are
photocopies of such Notes as
delivered.]

[See appropriate documents delivered at closing.]

EXHIBIT B

Exhibit B is a photocopy
of the Class C Notes
as delivered.

[See appropriate documents delivered at closing.]

EXHIBIT C

Exhibit C is a photocopy
of the Class P Notes
as delivered.

[See appropriate documents delivered at closing.]

EXHIBIT D

Exhibit D is a photocopy
of the Class 1-G Notes
as delivered.

[See appropriate documents delivered at closing.]

EXHIBIT E
MORTGAGE LOAN SCHEDULE

(provided upon request)

EXHIBIT F-1

FORM OF GROUP 1 SWAP CONTRACT

EXHIBIT F-2

FORM OF GROUP 2 SWAP CONTRACT

EXHIBIT G-1

FORM OF GROUP 1 SWAP CONTRACT NOVATION AGREEMENT

EXHIBIT G-2

FORM OF GROUP 2 SWAP CONTRACT NOVATION AGREEMENT

EXHIBIT H

FORM OF SWAP CONTRACT ADMINISTRATION AGREEMENT

EXHIBIT I

RULE 144A INVESTMENT REPRESENTATION LETTER

Description of Rule 144A Securities, including numbers:

_____

_____

_____

The undersigned seller, as registered holder (the "Seller"), intends to transfer the Rule 144A Securities described above to the undersigned buyer (the "Purchaser").

1. In connection with such transfer and in accordance with the agreements pursuant to which the Rule 144A Securities were issued, the Seller hereby certifies the following facts: Neither the Seller nor anyone acting on its behalf has offered, transferred, pledged, sold or otherwise disposed of the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security to, or solicited any offer to buy or accept a transfer, pledge or other disposition of the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security from, or otherwise approached or negotiated with respect to the Rule 144A Securities, any interest in the Rule 144A Securities 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 Rule 144A Securities under the Securities Act of 1933, as amended (the "1933 Act"), or that would render the disposition of the Rule 144A Securities a violation of Section 5 of the 1933 Act or require registration pursuant thereto, and that the Seller has not offered the Rule 144A Securities to any person other than the Purchaser or another "qualified institutional buyer" as defined in Rule 144A under the 1933 Act.

2. The Purchaser warrants and represents to, and covenants with, the Seller, the Depositor, the Trustee and the Master Servicer (as defined in the Sale and Servicing Agreement (the "Agreement"), dated as of September 1, 2007 among Countrywide Home Loans, Inc., as Seller, CWABS, Inc., as depositor, Countrywide Home Loans Servicing LP, as master servicer and The Bank of New York, as trustee, pursuant to the Agreement, as follows:

a. The Purchaser understands that the Rule 144A Securities have not been registered under the 1933 Act or the securities laws of any state.

b. The Purchaser considers itself a substantial, sophisticated institutional investor having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Rule 144A Securities.

c. The Purchaser has been furnished with all information regarding the Rule 144A Securities that it has requested from the Seller, the trustee or the master servicer.

d. Neither the Purchaser nor anyone acting on its behalf has offered, transferred, pledged, sold or otherwise disposed of the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security to, or solicited any offer to buy or accept a transfer, pledge or other disposition of the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security from, or otherwise approached or negotiated with respect to the Rule 144A Securities, any interest in the Rule 144A Securities 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 Rule 144A Securities under the 1933 Act or that would render the disposition of the Rule 144A Securities a violation of Section 5 of the 1933 Act or require registration pursuant thereto, nor will it act, nor has it authorized or will it authorize any person to act, in such manner with respect to the Rule 144A Securities.

e. The Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the 1933 Act and has completed either of the forms of certification to that effect attached hereto as Annex 1 or Annex 2. The Purchaser is aware that the sale to it is being made in reliance on Rule 144A. The Purchaser is acquiring the Rule 144A Securities for its own account or the accounts of other qualified institutional buyers, understands that such Rule 144A Securities 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 1933 Act.

3. This document 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 document.

IN WITNESS WHEREOF, each of the parties has executed this document as of the date set forth below.

Print Name of Seller	Print Name of Buyer
By:_____	By:
Name:_____	Name:
Title:_____	Title:
Taxpayer Identification No. _____	Taxpayer Identification: No.
Date: _____	Date:

ANNEX 1 to EXHIBIT I

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[FOR PURCHASERS OTHER THAN REGISTERED INVESTMENT COMPANIES]

The undersigned hereby certifies as follows in connection with the Rule 144A Investment Representation to which this Certification is attached:

1. As indicated below, the undersigned is the President, Chief Financial Officer, Senior Vice President or other executive officer of the Purchaser.

2. In connection with purchases by the Purchaser, the Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because (i) the Purchaser owned and/or invested on a discretionary basis $_____ in securities (except for the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A) and (ii) the Purchaser satisfies the criteria in the category marked below.

___ Corporation, etc. The Purchaser 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.

___ Bank. The Purchaser (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 Purchaser (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.

___ Broker-Dealer. The Purchaser is a dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

___ Insurance Company. The Purchaser 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 or territory or the District of Columbia.

___ State or Local Plan. The Purchaser 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 Purchaser is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.

___ Investment Adviser. The Purchaser is an investment adviser registered under the Investment Advisers Act of 1940.

___ SBIC. The Purchaser 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. The Purchaser is a business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

___ Trust Fund. The Purchaser is a trust fund whose trustee is a bank or trust company and whose participants are exclusively (a) plans 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, or (b) employee benefit plans within the meaning of Title I of the Employee Retirement Income Security Act of 1974, but is not a trust fund that includes as participants individual retirement accounts or H.R. 10 plans.

3. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Purchaser, (ii) securities that are part of an unsold allotment to or subscription by the Purchaser, if the Purchaser is a dealer, (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.

4. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Purchaser, the Purchaser used the cost of such securities to the Purchaser and did not include any of the securities referred to in the preceding paragraph. Further, in determining such aggregate amount, the Purchaser may have included securities owned by subsidiaries of the Purchaser, but only if such subsidiaries are consolidated with the Purchaser in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Purchaser's direction. However, such securities were not included if the Purchaser is a majority-owned, consolidated subsidiary of another enterprise and the Purchaser is not itself a reporting company under the Securities Exchange Act of 1934.

5. The Purchaser 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 Purchaser may be in reliance on Rule 144A.

___	___	Will the Purchaser be purchasing the Rule 144A
Yes	No	Securities only for the Purchaser's own account?

6. If the answer to the foregoing question is "no", the Purchaser agrees that, in connection with any purchase of securities sold to the Purchaser for the account of a third party (including any separate account) in reliance on Rule 144A, the Purchaser will only purchase for the account of a third party that at the time is a "qualified institutional Purchaser" within the meaning of Rule 144A. In addition, the Purchaser agrees that the Purchaser will not purchase securities for a third party unless the Purchaser has obtained a current representation letter from such third party or taken other appropriate steps contemplated by Rule 144A to conclude that such third party independently meets the definition of "qualified institutional buyer" set forth in Rule 144A.

7. The Purchaser 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 Purchaser's purchase of Rule 144A Securities will constitute a reaffirmation of this certification as of the date of such purchase.

Print Name of Buyer

By:
Name:
Title:

Date:

ANNEX 2 to EXHIBIT I

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[FOR PURCHASERS THAT ARE REGISTERED INVESTMENT COMPANIES]

The undersigned hereby certifies as follows in connection with the Rule 144A Investment Representation to which this Certification is attached:

1. As indicated below, the undersigned is the President, Chief Financial Officer or Senior Vice President of the Purchaser or, if the Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because Purchaser is part of a Family of Investment Companies (as defined below), is such an officer of the Adviser.

2. In connection with purchases by Purchaser, the Purchaser is a "qualified institutional buyer" as defined in SEC Rule 144A because (i) the Purchaser is an investment company registered under the Investment Company Act of 1940, and (ii) as marked below, the Purchaser alone, or the Purchaser'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 Purchaser's most recent fiscal year. For purposes of determining the amount of securities owned by the Purchaser or the Purchaser's Family of Investment Companies, the cost of such securities was used.

____ The Purchaser owned $_____ in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

____ The Purchaser 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 Purchaser'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 Purchaser or are part of the Purchaser's Family of Investment Companies, (ii) bank deposit notes and certificates of deposit, (iii) loan participations, (iv) repurchase agreements, (v) securities owned but subject to a repurchase agreement and (vi) currency, interest rate and commodity swaps.

5. The Purchaser is familiar with Rule 144A and understands that each of the parties to which this certification is made are relying and will continue to rely on the statements

made herein because one or more sales to the Purchaser will be in reliance on Rule 144A. In addition, the Purchaser will only purchase for the Purchaser's own account.

6. The undersigned will notify each of the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice, the Purchaser's purchase of Rule 144A Securities will constitute a reaffirmation of this certification by the undersigned as of the date of such purchase.

1.

2. Print Name of Purchaser

3.

4.

5.

6. By:

7. Name:

8. Title:

9.

10.

11. IF AN ADVISER:

12.

13.

14.

15. Print Name of Purchaser

16.

17.

18. Date:

EXHIBIT J

FORM OF INVESTMENT LETTER (NON-RULE 144A)

Date:_____
CWABS, Inc.,
as Depositor
4500 Park Granada
Calabasas, California 91302

The Bank of New York,
as Indenture Trustee
101 Barclay Street
New York, New York 10286

Re: CWABS Asset-Backed Notes Trust 2007-SEA2,
Class [_____] (the "Notes")

Ladies and Gentlemen:

The undersigned seller, as registered holder (the "Seller"), intends to transfer the Notes described above to the undersigned buyer (the "Purchaser").

1. In connection with our disposition of the above-captioned Notes, the Seller hereby certifies that (a) we understand that the Notes 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 Notes to, or solicited offers to buy any Notes 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.

2. In connection with our acquisition of the above-captioned Notes, the Purchaser hereby certifies that (a) we understand that the Notes are not being registered under 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 institutional investor that is an "accredited investor" as defined in Rule 501(a) (1)-(3) and (7) of 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 Notes, (c) we have sufficient investment expertise to independently evaluate their investment in the Notes, (d) we have at least $100 million in total assets, (e) we have not offered or sold any Notes to, or solicited offers to buy any Notes 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, (f) we have performed sufficient diligence to independently evaluate their investment in the Notes, (g) our purchase of the Notes complies with our investment policies and guidelines, (h) we understand that there is no active secondary market for the Notes, and (i) we will not sell, transfer or otherwise dispose of any Notes 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 Notes has executed and delivered to you a certificate to substantially the same effect as this certificate or Exhibit A, and (3) the purchaser or transferee has otherwise complied with any conditions for transfer set forth in the Indenture.

3. This document 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 document.

4. All capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Indenture, dated as of April 30, 2007, between CWABS Asset-Backed Notes Trust 2007-SEA2, as issuer, and The Bank of New York, as Indenture Trustee.

IN WITNESS WHEREOF, each of the parties has executed this document as of the date set forth below.

Print Name of Seller	Print Name of Buyer
By:	By:
Name:	Name:
Title:	Title:
Taxpayer Identification No.:	Taxpayer Identification No.:
Date:	Date:

EXHIBIT I

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the matter of the application of THE BANK OF NEW YORK MELLON, (as Trustee under various Pooling and Servicing Agreements and Indenture Trustee under various Indentures), Petitioner, for an order, pursuant to CPLR § 7701, seeking judicial instructions and approval of a proposed settlement.	Index No. **[PROPOSED] FINAL ORDER AND JUDGMENT**

Petitioner, The Bank of New York Mellon, solely in its capacity as trustee or indenture trustee under 530 mortgage-securitization trusts identified in Exhibit A to the Verified Petition (the "Petitioner" or the "Trustee"), evidenced by 530 separate Pooling and Servicing Agreements ("PSAs") or Indentures and related Sales and Servicing Agreements ("SSAs," and together with the PSAs and Indentures, the "Governing Agreements"), having applied to this Court for an order pursuant to CPLR § 7701 for judicial instructions and approval of a settlement entered into by and among the Trustee, Bank of America Corporation, BAC Home Loans Servicing, LP, Countrywide Financial Corporation, and Countrywide Home Loans, Inc. (the "Settlement"), such Settlement being embodied in the settlement agreement, dated June 28, 2011 (the "Settlement Agreement") attached to the Verified Petition herein and attached hereto as Exhibit A; and

UPON reading and filing the Verified Petition and the exhibits thereto; the Affirmation of Matthew D. Ingber, counsel to the Trustee, in support of the Verified Petition, dated June 28, 2011 (the "Ingber Affirmation"); The Bank of New York

Mellon's Memorandum of Law In Support of Its Verified Petition Seeking Judicial Instructions and Approval of a Proposed Settlement, dated June 28, 2011; all answers, objections, or other responses filed in response to the Verified Petition; all papers filed in response to those answers, objections, or responses; and upon all prior proceedings and pleadings heretofore had; and

UPON this Court having rendered its decision (the "Decision") on _____, 2011, which Decision is attached hereto as Exhibit B; and

UPON the Decision with notice of entry (attached hereto as Exhibit C) having been served upon all parties on _____, 2011;

NOW, it is hereby ORDERED, ADJUDGED, and DECREED that:

a) For purposes of this Final Order and Judgment, the Court adopts all defined terms set forth in the Settlement Agreement. Capitalized terms used herein, unless otherwise defined, shall have the meanings set forth in the Settlement Agreement.

b) The Court has jurisdiction over the subject matter of this Article 77 Proceeding. The Court has jurisdiction over the Petitioner, the Covered Trusts, and all certificateholders and noteholders of the Covered Trusts (the "Trust Beneficiaries") with respect to the matters determined herein. (As used herein, "Trust Beneficiaries" shall have the same meaning as "Investors" under the Settlement Agreement.)

c) The form and the method of dissemination of notice (the "Notice"), as described in and as previously approved by the Court's Order dated _____, 2011 (the "Preliminary Order"), provided the best notice

practicable under the circumstances and was reasonably calculated to put interested parties on notice of this action. The Preliminary Order provided, *inter alia*, for the Notice to be provided by a combination of individual notice, notice by publication in specified publications, notice through the Depository Trust Company, advertising on the internet, and notice through a website created and maintained by the Trustee for the Article 77 Proceeding. The Petitioner has submitted evidence establishing its compliance with reasonable diligence with the Preliminary Order. The Court finds that the Notice was provided in accordance with the provisions of the Preliminary Order.

d) The Notice provided due and adequate notice of these proceedings and the matters set forth herein, including the Settlement and the Court's consideration of the actions of the Trustee in entering into the Settlement Agreement, to all persons entitled to such notice, including the Potentially Interested Persons identified in paragraph 6 of the Ingber Affirmation, including the Trust Beneficiaries, and the Notice fully satisfied the requirements of New York law, federal and state due process requirements and the requirements of other applicable law.

e) A full and fair opportunity has been offered to all Potentially Interested Persons, including the Trust Beneficiaries, to make their views known to the Court, to object to the Settlement and to the approval of the actions of the Trustee in entering into the Settlement Agreement, and to participate in the hearing thereon. Accordingly, the Covered Trusts, all Trust Beneficiaries, and their successors-in-interest and assigns, and any Persons claiming by, through,

or on behalf of any of the Trustee, the Trust Beneficiaries, or the Covered Trusts or under the Governing Agreements are bound by this Final Order and Judgment.

f) The Trustee has the authority, pursuant to the Governing Agreements and applicable law: (i) to assert, abandon, or compromise the Trust Released Claims, and (ii) to enter into the Settlement Agreement on behalf of all Trust Beneficiaries, the Covered Trusts, and any Persons claiming by, through, or on behalf of any of the Trustee, the Trust Beneficiaries, or the Covered Trusts or under the Governing Agreements.

g) Pursuant to the Governing Agreements and applicable law, the decision whether to enter into the Settlement Agreement on behalf of all Trust Beneficiaries, the Covered Trusts, and any Persons claiming by, through, or on behalf of any of the Trustee, the Trust Beneficiaries, or the Covered Trusts or under the Governing Agreements is a matter within the Trustee's discretion.

h) The Settlement Agreement is the result of factual and legal investigation by the Trustee, and is supported by the Institutional Investors.

i) The Trustee appropriately evaluated the terms, benefits, and consequences of the Settlement and the strengths and weaknesses of the claims being settled. In that regard, the Trustee appropriately considered the claims made and positions presented by the Institutional Investors, Bank of America, and Countrywide relating to the Trust Released Claims in considering whether to enter into the Settlement Agreement.

j) The arm's-length negotiations that led to the Settlement Agreement and the Trustee's deliberations appropriately focused on the strengths and weaknesses of the Trust Released Claims, the alternatives available or potentially available to pursue remedies for the benefit of the Trust Beneficiaries, and the terms of the Settlement.

k) The Trustee acted in good faith, within its discretion, and within the bounds of reasonableness in determining that the Settlement Agreement was in the best interests of the Covered Trusts.

l) Pursuant to CPLR § 7701, the Court hereby approves the actions of the Trustee in entering into the Settlement Agreement in all respects.

m) The Parties are directed to consummate the Settlement in accordance with its terms and conditions, and the Settlement is hereby approved by the Court in all respects.

n) The Settlement Agreement is hereby approved in all respects, and is fully enforceable in all respects. The release in the Settlement Agreement provides as follows:

> **9. Release.**
>
> (a) Effective as of the Approval Date, except as set forth in Paragraph 10 [of the Settlement Agreement], the Trustee on behalf of itself and all Investors, the Covered Trusts, and/or any Persons claiming by, through, or on behalf of any of the Trustee, the Investors, or the Covered Trusts or under the Governing Agreements (collectively, the Trustee, Investors, Covered Trusts, and such Persons being defined together as the "Precluded Persons"), irrevocably and unconditionally grants a full, final, and complete release, waiver, and discharge of all alleged or actual claims, counterclaims, defenses, rights of setoff, rights of rescission, liens, disputes, liabilities, Losses, debts, costs, expenses, obligations, demands, claims for accountings or audits, alleged Events of Default, damages, rights, and causes of action of any kind or nature whatsoever, whether asserted or unasserted, known or unknown,

suspected or unsuspected, fixed or contingent, in contract, tort, or otherwise, secured or unsecured, accrued or unaccrued, whether direct, derivative, or brought in any other capacity that the Precluded Persons may now or may hereafter have against any or all of the Bank of America Parties and/or Countrywide Parties arising out of or relating to (i) the origination, sale, or delivery of Mortgage Loans to the Covered Trusts, including the representations and warranties in connection with the origination, sale, or delivery of Mortgage Loans to the Covered Trusts or any alleged obligation of any Bank of America Party and/or Countrywide Party to repurchase or otherwise compensate the Covered Trusts for any Mortgage Loan on the basis of any representations or warranties or otherwise or failure to cure any alleged breaches of representations and warranties, including all claims arising in any way from or under Section 2.03 ("Representations, Warranties and Covenants of the Sellers and Master Servicer")[1] of the Governing Agreements, (ii) the documentation of the Mortgage Loans held by the Covered Trusts (including the documents and instruments covered in Sections 2.01 ("Conveyance of Mortgage Loans") and 2.02 ("Acceptance by the Trustee of the Mortgage Loans") of the Governing Agreements and the Mortgage Files) including with respect to alleged defective, incomplete or non-existent documentation, as well as issues arising out of or relating to recordation, title, assignment, or any other matter relating to legal enforceability of a Mortgage or Mortgage Note, and (iii) the servicing of the Mortgage Loans held by the Covered Trusts (including any claim relating to the timing of collection efforts or foreclosure efforts, loss mitigation, transfers to subservicers, Advances, Servicing Advances, or that servicing includes an obligation to take any action or provide any notice towards, or with respect to, the possible repurchase of Mortgage Loans by the Master Servicer, Seller, or any other Person), in all cases prior to or after the Approval Date (collectively, all such claims being defined as the "Trust Released Claims").

(b) The Trust Released Claims shall also be deemed to have been released as of the Approval Date to the full and same extent by the Master Servicer of the Covered Trusts (including the current Master Servicer, BAC HLS, and any subsequent servicer who may in the future be substituted for the current Master Servicer with respect to one or more of the Covered Trusts or any loans therein) and the Master Servicer shall be deemed to be a Precluded Person.

(c) The release and waiver in Subparagraphs 9(a) and 9(b) [of the Settlement Agreement] is intended to include, and upon its effectiveness shall include, any claims or contentions that Bank of America or any non-Countrywide affiliate, division, or subsidiary of Bank of America, and any of the predecessors or assigns thereof, is liable on any theory of successor

[1] Which provision is numbered 2.04 in the Sale and Servicing Agreements relating to CWHEQ 2006-A and CWHEQ 2007-G.

liability, vicarious liability, veil piercing, de facto merger, fraudulent conveyance, or other similar claim or theory for the obligations, exposure, or liability of Countrywide or any of its affiliates, divisions, or subsidiaries, and any of the predecessors or assigns thereof concerning any of the Covered Trusts, with respect to the Trust Released Claims.

10. Claims Not Released.

(a) Administration of the Mortgage Loans. The release and waiver in Paragraph 9 [of the Settlement Agreement] does not include claims based solely on the action, inaction, or practices of the Master Servicer in its aggregation and remittance of Mortgage Loan payments, accounting for principal and interest, and preparation of tax-related information in connection with the Mortgage Loans and the ministerial operation and administration of the Covered Trusts and of the Mortgage Loans held by the Covered Trusts for which the Master Servicer receives servicing fees unless, as of the Signing Date, the Trustee has or should have knowledge of the actions, inactions or practices of the Master Servicer in connection with such matters.

(b) Servicing of the Mortgage Loans. Except as provided in Subparagraph 10(a) [of the Settlement Agreement], the release and waiver in Paragraph 9 [of the Settlement Agreement] includes: (i) all claims based in whole or in part on any actions, inactions, or practices of the Master Servicer prior to the Approval Date as to the servicing of the Mortgage Loans held by the Covered Trusts; and (ii) as to all actions, inactions, or practices by the Master Servicer after the Approval Date, only (A) actions, inactions, and practices that relate to the aspects of servicing addressed in whole or in part by the provisions of Paragraph 5 [of the Settlement Agreement] (material compliance with which shall satisfy the Master Servicer's obligation to service the Mortgage Loans prudently in accordance with all relevant sections of the Governing Agreements) and (B) actions, inactions, or practices that relate to the aspects of servicing not addressed by the provisions of Paragraph 5 [of the Settlement Agreement] that are consistent with (or improvements over) the Master Servicer's course of conduct prior to the Signing Date. It is further understood and agreed that Investors may pursue such remedies as are available under Section 10.08 ("Limitation on Rights of Certificateholders") of the Governing Agreements with respect to an Event of Default as to any servicing claims not released by this Settlement.

(c) Certain Individual Investor Claims. The release and waiver in Paragraph 9 [of the Settlement Agreement] does not include any direct claims held by Investors or their clients that do not seek to enforce any rights under the terms of the Governing Agreements but rather are based on disclosures made (or failed to be made) in connection with their decision to purchase, sell, or hold securities issued by any Covered Trust, including claims under the securities or anti-fraud laws of the United States or of any state; provided,

however, that the question of the extent to which any payment made or benefit conferred pursuant to this Settlement Agreement may constitute an offset or credit against, or a reduction in the gross amount of, any such claim shall be determined in the action in which such claim is raised, and the Parties reserve all rights with respect to the position they may take on that question in those actions and acknowledge that all other Persons similarly reserve such rights.

(d) Financial-Guaranty Provider Rights and Obligations. To the extent that any third-party guarantor or financial-guaranty provider with respect to any Covered Trust has rights or obligations independent of the rights or obligations of the Investors, the Trustee, or the Covered Trusts, the release and waiver in Paragraph 9 [of the Settlement Agreement] is not intended to and shall not release such rights, or impair or diminish in any respect such obligations or any insurance or indemnity obligations owed by or to such Person.

(e) Indemnification Rights. The Parties do not release any rights to indemnification under the Governing Agreements including the Trustee's right to indemnification by the Master Servicer of the Covered Trusts.

(f) Settlement Agreement Rights. The Parties do not release any rights or claims against each other to enforce the terms of this Settlement Agreement.

(g) Excluded Covered Trusts. The release and waiver in Paragraph 9 [of the Settlement Agreement] does not include claims with respect to any Excluded Covered Trust.

o) The Trustee, all Trust Beneficiaries, the Covered Trusts, and any Persons claiming by, through, or on behalf of any of the Trustee, the Trust Beneficiaries, or the Covered Trusts or under the Governing Agreements, and each of their heirs, executors, administrators, successors-in-interest, and assigns, are hereby: (i) permanently barred and enjoined from instituting, commencing, or prosecuting, either directly, derivatively, or in any other capacity, any suit, proceeding, or other action asserting any of the Trust Released Claims, against any or all of the Bank of America Parties and/or the Countrywide Parties; (ii) conclusively determined to have fully, finally, and

forever compromised, settled, released, relinquished, discharged, and dismissed with prejudice and on the merits the Trust Released Claims; and (iii) permanently barred and enjoined from knowingly assisting in any way any third party in instituting, commencing, or prosecuting any suit against any or all of the Bank of America Parties and/or the Countrywide Parties asserting any of the Trust Released Claims. These provisions shall also be deemed to apply to the full and same extent to the Master Servicer of the Covered Trusts (including the current Master Servicer, BAC HLS, and any subsequent servicer who may in the future be substituted for the current Master Servicer with respect to one or more of the Covered Trusts or any loans therein).

p) All Trust Beneficiaries and each of their heirs, executors, administrators, successors-in-interest, and assigns, and the Bank of America Parties and the Countrywide Parties and each of their respective heirs, executors, administrators, successors-in-interest, and assigns, are hereby permanently barred and enjoined from instituting, commencing, or prosecuting, either directly, derivatively, or in any other capacity, any suit, proceeding, or other action asserting against the Trustee any claims arising from or in connection with the Trustee's entry into the Settlement, including but not limited to the Trustee's participation in negotiations regarding the Settlement, the Trustee's analysis of the Settlement, the filing by the Trustee of any petition in connection with the Settlement, the provision of notices concerning the Settlement to Potentially Interested Persons, and any further actions by the Trustee in support of the Settlement, including the response by the Trustee to

any objections to the Settlement and any implementation of the Settlement by the Trustee; provided, however, that nothing herein precludes any Party from asserting any claims arising out of a breach of the Settlement Agreement.

q) With the exception of prosecuting any appeals directly from this Final Order and Judgment, all Trust Beneficiaries, the Covered Trusts, and any Persons claiming by, through, or on behalf of any of the Trustee, the Trust Beneficiaries, or the Covered Trusts or under the Governing Agreements, and each of their heirs, executors, administrators, successors-in-interest, and assigns, are hereby permanently barred and enjoined from instituting, commencing, asserting, or prosecuting, either directly, derivatively, or in any other capacity, any claim or objection challenging this Final Order and Judgment, the actions of the Trustee in entering into the Settlement Agreement or this Article 77 Proceeding.

r) The Trustee will not, by virtue of actions taken in seeking, or pursuant to, any orders in this proceeding or this Final Order and Judgment, impair the rights it has under the applicable Governing Agreements to be compensated for the fees and expenses it incurs in discharging its duties as Trustee.

s) None of the Bank of America Parties, the Countrywide Parties, the Institutional Investors, or the Trustee shall have any liability (including under any indemnification obligation provided for in any Governing Agreement, including as clarified by the side-letter that is Exhibit C to the Settlement Agreement) to each other, the Trust Beneficiaries, the Covered Trusts, or any other Person arising out of the determination, administration, or distribution

(including distribution within each Covered Trust) of the Allocable Shares pursuant to the Settlement or incurred by reason of any tax consequences of the Settlement.

t) All objections to the Settlement have been considered and are overruled and denied in all respects.

u) Without affecting the finality of this Final Order and Judgment in any respect, the Court hereby retains exclusive jurisdiction over the Petitioner, the Covered Trusts, and all Trust Beneficiaries (whether past, present, or future) for all matters relating to the Settlement and this Article 77 Proceeding, including the administration, interpretation, effectuation, or enforcement of the Settlement Agreement and this Final Order and Judgment.

v) There is no just reason for delay in the entry of this Final Order and Judgment and immediate entry by the Clerk of the Court is expressly directed.

Judgment entered on this _____ day of ___, 2011.

ENTER

_____

JSC

_____

CLERK OF THE COURT

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the matter of the application of	:	
THE BANK OF NEW YORK MELLON, (as Trustee under various Pooling and Servicing Agreements and Indenture Trustee under various Indentures), Petitioner,	:	Index No.
for an order, pursuant to CPLR § 7701, seeking judicial instructions and approval of a proposed settlement.	:	

EXHIBIT J TO THE AFFIRMATION OF MATTHEW D. INGBER

APPENDIX OF UNREPORTED CASES CITED IN THE BANK OF NEW YORK MELLON'S MEMORANDUM OF LAW IN SUPPORT OF ITS VERIFIED PETITION SEEKING JUDICIAL INSTRUCTIONS AND APPROVAL OF A PROPOSED SETTLEMENT

MAYER BROWN LLP
1675 BROADWAY
NEW YORK, NEW YORK 10019
(212) 506-2500

Attorneys for Petitioner The Bank of New York Mellon

Index of Unreported Cases

Tab	Case Name
1.	*Dlugaski v. Port Auth. of N.Y. and N.J.*, No. 307484/09, 2010 WL 2610649 (N.Y. Sup. Ct. Bronx County June 30, 2010)
2.	*In re Application of IBJ Schroeder Bank & Trust Co.*, 101530/1998 (Sup. Ct. N.Y County Aug. 16, 2000)
3.	*In re Bankers Trustee Co.*, Index No. 114077/1998 (Sup. Ct., N.Y. County Mar. 8, 1999)
4.	*In re Bankers Trustee Co.*, Index No. 604336/1996 (Sup. Ct. N.Y. County July 24, 1997)
5.	*In re Judicial Settlement of The First Intermediate Accounts of Proceedings of Central Hanover Bank and Trust Co.,* 2008 N.Y. Slip Op 50342U (Sup. Ct. N.Y. County Jan 3, 2008)
6.	*In re Tanenblatt*, N.Y.L.J. Oct. 5, 1993 (Sur. Ct. Nassau. County 1993)
7.	*Mayo v. GMAC Mortg.*, No. 08-00568-CV-W-DGK, 2011U.S. Dist. LEXIS 3349 (W.D. Mo. Jan. 13, 2011)
8.	*Sterling Federal Bank, F.S.B. v. DLJ Mortg. Capital, Inc.*, No. 09 C 6904, 2010 WL 3324705 (N.D. Ill. Aug. 20, 2010)
9.	*Steves & Sons, Inc. v Pottish*, 2011 NY Slip Op 50864U (Sup. Ct. Suffolk County May 11, 2011)

TAB 1

Slip Copy, 28 Misc.3d 1203(A), 2010 WL 2610649 (N.Y.Sup.), 2010 N.Y. Slip Op. 51133(U)
(Table, Text in WESTLAW), Unreported Disposition
(Cite as: 2010 WL 2610649 (N.Y.Sup.))

Supreme Court, Bronx County, New York.
Kenneth DLUGASKI, Plaintiff,
v.
The PORT AUTHORITY OF NEW YORK AND NEW JERSEY, 1 World Trade Center LLC and Tishman Construction Corporation of New York, Defendants.

No. 307484/09.
June 30, 2010.

Segal McCambridge, Singer & Mahoney, Ltd., by Simon Lee, New York, Attorney for Defendant The Port Authority of New York and New Jersey, 1 World Trade Center LLC, Tishman Construction Corporation of New York.

Sacks and Sacks LLP, by Devon Reiff, Esq., Attorney for Plaintiff Kenneth Dlugaski.

KENNETH L. THOMPSON, J., JR.

***1** Defendants' THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, 1 WORLD TRADE CENTER LLC and TISHMAN CONSTRUCTION CORPORATION OF NEW YORK ("The Port Authority") motion for an Order pursuant to CPLR § 510(3) changing the venue of this action from Bronx County to New York County is denied.

Plaintiff claims that he sustained injuries "at the premises under construction at the Freedom Towers located at the World Trade Center, Borough of Manhattan, City and State of New York," (*Ver. Bill. Part.* at ¶ 6), when "he was struck by a bundle of rebar that was improperly hoisted and improperly secured" (*id.* at ¶ 5). Plaintiff was a Richmond County resident when this action was commenced, however, he placed venue in the Bronx based on the Port Authority's residence. (*NOC* at ¶ 1; *see also* S & C.) The Port Authority is now seeking to change the venue of this action "upon the grounds that the ends of justice will be promoted by having the place of trial in New York County." (*Not. Mot.* at ¶ (a)). Plaintiff opposes the motion on the grounds that McKinney's Unconsolidated Laws of New York § 7106 entitles him to maintain venue here in Bronx County.

The Port Authority is adamant that its "motion is not based on the convenience of material witness,' but upon a lack of nexus with the Bronx." (*Def. Reply* at ¶ 20.) Therefore, it supposes, it is not required to "ma[k]e a showing of inconvenience of witnesses, including but not limited to the identity of witnesses, the materiality of anticipated testimony, and how they would be inconvenienced." (*Id.* at ¶ 19.) Rather, the Port Authority's stance that the "ends of justice would be promoted" by a change to New York County relies on two basic arguments. This cause of action should be tried in New York County where it arose since it is a transitory action. (*Def. Aff. Supp.* at ¶ 15.) And Bronx County "bears absolutely no relationship" to the alleged accident since none of the parties resided there when the action was commenced. (*Id.* at ¶ 16.) The Port Authority alludes to four specific facts in support of its arguments, that: 1) Plaintiff is a Richmond County resident; 2) the cause of action arose in New York County; 3) none of the Defendants maintain a principal place of business in the Bronx; and 3) none of Plaintiff's medical providers are located in the Bronx (*id.* at ¶¶ 13 & 24).

The Court finds that both of Defendants' contentions are insufficient to justify a discretionary change of venue based on the facts as provided. First, the Port Authority may not rely on the "ends of justice" component of § 510(3), without addressing the "convenience of material witnesses." Second, the Port Authority—for all intents and purposes—is a resident of Bronx County as per McKinney's Unconsolidated Laws of New York § 7106.

Applicable Venue Statutes

"Except where otherwise prescribed by law, the place of trial shall be in the county in which one of the parties resided when it was commenced; or, if none of the parties then resided in the state, in any county designated by the plaintiff." CPLR § 503(a). "Generally. The place of trial of an action by or against a public authority constituted under the laws of the state shall be in the county in which the authority has its principal office or where it has facilities involved in

Slip Copy, 28 Misc.3d 1203(A), 2010 WL 2610649 (N.Y.Sup.), 2010 N.Y. Slip Op. 51133(U)
(Table, Text in WESTLAW), Unreported Disposition
(Cite as: 2010 WL 2610649 (N.Y.Sup.))

the action." CPLR § 505. In actions regarding "consent to liability for tortious acts," "venue in any suit, action or proceeding against the port authority shall be laid within a county or a judicial district, established by one of said states or by the United States. The port authority shall be deemed to be a resident of each such county or judicial district for the purpose of such suits, actions or proceedings." McKinney's Uncons Laws of N.Y. § 7106. "The court, upon motion, may change the place of trial of an action where: ... the convenience of material witnesses and the ends of justice will be promoted by the change." CPLR § 510(3).

***2** Plaintiff is entitled to venue this action in Bronx County based on McKinney's Uncons Laws of N.Y. § 7106, which overrides CPLR § 505 in this instance. *See Bollman v. Port Auth.*, 17 AD3d 182–83 (holding that "[a] special statute which is in conflict with a general act covering the same subject matter controls the case and repeals the general statute insofar as the special act applies"). And since Defendants are seeking discretionary relief under CPLR § 510(3), the fifteen-day time limit enunciated in CPLR 511 is inapplicable. *See Tesfaye v. Swett*, 227 A.D.2d 150.

The issue that arises is whether the "ends of justice" will be promoted by a move to New York County based on the facts posited by Defendants. Although this term lacks an "ordinary and unambiguous meaning," *Butcher's Union Local No. 498 v. SDC Invest., Inc.*, 788 F.2d 535, 538–39, and "cannot be finely particularized," *Sanders v. U.S.*, 373 U.S. 1, 17, the word "justice" means "[t]he fair and proper administration of laws," Black's Law Dictionary (7th ed 1999), at 869. Next, "judicial discretion," which the Port Authority is asking the Court to exercise in consideration of its application, is "[t]he exercise of judgment by a judge or court based on what is fair under the circumstances and guided by the rules and principles of law." Black's Law Dictionary (7th ed.1999), at 479. Conversely, "[d]iscretion, in this sense, is abused when the judicial action is arbitrary, fanciful or unreasonable, which is another way of saying that discretion is abused only where no reasonable man would take the view adopted by the court." *People v. S.*, 87 Misc.2d 951, 955.

Finally, there is a constitutional obligation that courts determine the expressed will of the Legislature, and such legislative intent must be first sought in the language of the statute under consideration. Where the terms of the statute are plain and unambiguous, the statute must be construed in accordance with its expressed terms, and should be construed so as to effectuate the plain meaning of the words used. In construing a given statutory enactment, a court should not by construction extend such statute beyond its express terms or the reasonable implications of its language.

Drelich v. Kenlyn Homes, Inc., 86 A.D.2d 648, 649.

The Court realizes that the venue determination in this action requires a balancing of interests—Plaintiff's entitlement to have this action heard in Bronx County versus Defendants' right to have it moved to New York County—and that a just outcome relies on a fair and reasonable interpretation of applicable legal statutes, principles and precedents. The Court finds that based on its analysis of the above, the Port Authority has failed to show that it would be unfair or inconvenient to maintain the venue of this action in the Bronx. Furthermore, the Court finds that absent this showing, Plaintiff is entitled to maintain venue of this action in the Bronx.

convenience of material witnesses

***3** As stated earlier, § 510(3) mandates that change of venue is warranted where "the convenience of material witnesses *and* the ends of justice will be promoted by the change." (emphasis added). Given that this Court's discretion must be guided by the plain meaning of the statute at issue, it cannot ignore the conjunctive contained therein. Simply stated, the Court cannot examine what would promote the ends of justice without also considering the convenience of material witnesses in its equation. Indeed, although "in general, the venue of a transitory action lies in the county where the cause of action arose, that rule is predicated upon the concept of convenience for witnesses who are to be present at trial." *Iassinski v. Vassiliev*, 220 A.D.2d 372–73; *see also Leopold v. Goldstein*, 283 A.D.2d 319, 320; *Chimarios v. Duhl*, 152 A.D.2d 508, 509; *Boriskin v. Long Island Jewish–Hillside Medical Ctr, South Shore Div.*, 85 A.D.2d 523.

The Court finds that the underlying basis of the statute is that a fair trial is contingent on each party being able to present witnesses in support of its case. And by placing venue in a county that would inconvenience such witnesses would not promote the "fair and proper administration of laws." For example, the court in *Henry v. Cent. Hudson Gas & Elec. Corp.*, 57

AD3d 452, changed venue because the police officers and EMT workers who responded to the scene and prepared reports detailing their response averred that they were willing to testify but would be inconvenienced "by having to take a day off of work from their public service jobs to travel to Bronx County to testify." The court in *Austin v. DaimlerChrysler Corp.*, 294 A.D.2d 182, changed venue "to Suffolk County, where the liability witnesses either work or live, many of whom, namely, police, fire and ambulance personnel who responded to the accident, have submitted affidavits stating that they would be inconvenienced by having to testify in New York County." The court in *Groos v. New York Tel.*, 216 A.D.2d 103, changed venue "to Westchester County, where the cause of action arose, the majority of material witnesses work or reside, the police records are located, and plaintiff received most of his medical treatment."

This approach is consistent with how the First Department has handled the instant issue of retaining venue of actions against the Port Authority in the Bronx. *Rodriguez v. Port Auth. of N.Y. & N.J.*, 293 A.D.2d 325, 326 (finding that "[w]ithout this showing of inconvenience, the IAS court improvidently exercised its discretion in granting a change of venue that had been properly laid by statute"); *Bollman v. Port Auth.*, 17 AD3d 182, 183 (finding that "[d]efendants failed to identify proposed witnesses who were located in Queens County, to detail the nature and materiality of any anticipated testimony, or to describe how the parties and the witnesses would be inconvenienced by placing venue in the Bronx").

***4** Consequently, the Port Authority's failure to address the "convenience of material witnesses" prong of CPLR § 510(3) alone warrants the denial of its application. *See Chimarios*, 152 A.D.2d at 509 (holding that "the movant has the burden of showing that the convenience of material witnesses would be better served by such a change"); *see also Leopold*, 283 A.D.2d at 320 (holding that "the proponent of a change in venue in a transitory action must comply with CPLR § 510(3) and is required to provide: (1) the identity of the proposed witnesses, (2) the manner in which they will be inconvenienced by a trial in the county in which the action was commenced, (3) that the witnesses have been contacted and are available and willing to testify for the movant, (4) the nature of the anticipated testimony, and (5) the manner in which the anticipated testimony is material to the issues raised in the case") (citations omitted).

As above-stated, the Port Authority labors under the misunderstanding that it may seek a change in venue without showing inconvenience, thus, it made no attempt to do so. The fact that Plaintiff is a Richmond County resident, the cause of action arose in New York County, none of the Defendants maintain a principal place of business in the Bronx, and none of Plaintiff's medical providers are located in the Bronx, does not speak to any witness—material or otherwise, regarding liability or damages—being inconvenienced by having to testify at a Bronx trial. Thus, the Court finds that the "ends of justice" would no more be promoted by moving the trial to New York County than would be by maintaining the *status quo.*

§ 7106

Despite the Honorable Judge Nelson S. Roman's finding that McKinney's Uncons. Laws of N.Y. § 7106 allows the Port Authority to be sued in the Bronx without conferring Bronx residency status on that entity, *see Tarpey v. Port Auth. of N.Y. & N.J.*, 7 Misc.3d 1006A, *3, other learned Bronx Jurists have found otherwise, *see, e.g., Caamano v. Port Auth.*, 188 Misc.2d 321, *6 (finding that "the Port Authority has a place of residence in Bronx County pursuant to McKinney's Unconsolidated Laws of N.Y. § 7106"); *Espada v. Port Auth. of N.Y. & N.J.*, 22 Misc.3d 1136A, *3, (finding that "[p]ursuant to Unconsolidated Laws § 7106, the Port Authority is *de jure* deemed to be a resident of each county in New York City and therefore qualifies as a Bronx County resident") (emphasis in opinion); *O'Connor v. Port Auth. of N.Y. & N.J.*, 12 Misc.3d 1181A, *3 (citing to *Caamano*).[FN1] Regardless of the legal fiction [FN2] created by § 7106, that statute "deems" that the Port Authority is—in actuality—a Bronx resident for the purposes of suits such as this. So, contrary to the Port Authority's understanding of the statute, it is, in fact, a Bronx resident. Thus, it cannot reasonably sustain the attitude that Bronx County "bears absolutely no relationship" to the alleged accident.

FN1. In siding with those Courts that have deemed the Port Authority to be a Bronx resident pursuant to McKinney's Uncons. Laws of N.Y. § 7106, this Court is not intimating that either the Honorable Judge Roman's or the Honorable Judge Salman's con-

clusions were erroneous, *see* McDaniel v. Port Auth., 202 A.D.2d 222. Rather, this Court simply reached a different result based upon the circumstances of the situation presented and its own evaluation of "well-regulated equity principles and precedents." *Dexter v. Beard,* 1889 N.Y. Misc. LEXIS 913, * *18.

FN2. *See* Black's Law Dictionary (7th ed 1999), at 425 (stating that " '[d]eem' is a useful word when it is necessary to establish a legal fiction either positively by deeming' something to be something it is not or negatively by deeming' something not to be something which it is").

***5** The foregoing shall constitute the decision and order of this Court.

N.Y.Sup.,2010.
Dlugaski v. Port Authority of New York and New Jersey
Slip Copy, 28 Misc.3d 1203(A), 2010 WL 2610649 (N.Y.Sup.), 2010 N.Y. Slip Op. 51133(U)

END OF DOCUMENT

TAB 2

SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY

PRESENT: Hon. Beatrice Shainswit PART 10

Justice

In Re IBJ Schroder Bank & Trust

INDEX NO. 101530/98

MOTION DATE

- v -

MOTION SEQ. NO. 001

MOTION CAL. NO.

The following papers, numbered 1 to _____ were read on this motion to/for _____

	PAPERS NUMBERED
Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...	
Answering Affidavits — Exhibits	
Replying Affidavits	

Cross-Motion: ☐ Yes ☒ No

Upon the foregoing papers, it is ordered that this motion

on remand, pursuant to the order of the Appellate division, First department dated April 20, 2000

MOTION IS DECIDED IN ACCORDANCE WITH ACCOMPANYING MEMORANDUM DECISION

FILED

OCT 03 2000

COUNTY CLERK'S OFFICE
NEW YORK

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE

J.S.C.

DATED:

Dated: 8/16/00

J.S.C.

Check one: ☒ FINAL DISPOSITION ☐ NON-FINAL DISPOSITION

CDISP

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY : IAS PART 10

----------X

In the Matter of the Application of

Index No. 101530/98

IBJ SCHRODER BANK & TRUST COMPANY (not in its individual capacity but in its capacity as Trustee under a Trust Agreement dated as of December 21, 1985 among Resources Satellite Corp., J. Henry Schroder Bank & Trust Company and the Beneficiaries thereunder),
Petitioner,

for an order, pursuant to CPLR § 7701, for a Construction of an Indenture and Approval of a Settlement.

----------X

SHAINSWIT, J.:

In this special proceeding, brought pursuant to CPLR Article 77, petitioner-trustee seeks a declaratory judgment concerning the construction of an Investor Trust Agreement, together with approval of the trustee's proposed settlement of another action presently pending in this Court, involving assets of the Trust, entitled IBJ Schroder Bank & Trust Co. v GE Capital Spacenet Services, Inc., Index No. 601299/96 (the "Spacenet" action).

The Trust was established in 1985 to facilitate investments by more than 400 beneficiaries in a project involving the launching and operation of a communications satellite during the years 1985 through 1994. The Trust involved a complex series of financial transactions involving the development and placement in space of the communications satellite.

The Spacenet action involves a certain master lease relating to the lease of 24 satellite transponders carried on a satellite which was launched into orbit in 1985.

The satellite earned money for the Trust through receipt of sums from television and radio broadcasters for the use of electronic signals transmitted for television and radio broadcasting by the satellite's "transponders." A transponder automatically transmits a broadcasting signal upon reception of such a signal from another transmitter.

Because adequate supply of fuel was crucial to the operation of the satellite, the trustee and the satellite owner executed the Agreement Regarding Fuel ("Fuel Agreement"), whereby the satellite owner agreed to make certain stipulated fuel shortfall payments, entitled "Stipulated Loss Value" payments, in the event of a fuel shortage. It is alleged that such a fuel shortage occurred, thereby triggering the trustee's rights to demand payment from the satellite owner under the terms of the Fuel Agreement. Accordingly, in the Spacenet action, the trustee seeks to recover from the satellite owner the sum of $40,785,455, representing a "Stipulated Loss Value" payment set forth for in the Fuel Agreement.

The satellite owner served its answer in the Spacenet action, denying all liability and pleading defenses and counterclaims, including, among other things, that: (a) the provision in the Fuel Agreement as to Stipulated Loss Value was an unenforceable penalty under New York law; (b) the satellite's failure resulted from a catastrophic event or mechanical failure and not from a lack of fuel; and (c) the satellite in fact had sufficient fuel on the applicable date.

In September 1997, the trustee and the defendants in the Spacenet litigation conditionally agreed to a proposed settlement which provides for the satellite owner to pay $8.5 million, of which $6.97 million would be paid to the Trust.

The trustee thereupon commenced this action by "Verified Petition For Construction of Trust and Approval of Proposed Settlement," seeking, among other things: (a) a declaration that it had the authority to commence the Spacenet action; (b) a declaration that it had the authority to settle the Spacenet action; and (c) judicial approval of the proposed settlement of the Spacenet action. 186 trust beneficiaries, jointly represented by one law firm, have submitted opposition to the trustee's application for a declaratory judgment and approval of the proposed settlement.

The trustee predicates his commencement of the Spacenet action, vis-a-vis the beneficiaries of the Trust, upon section 5.02 of the Investor Trust Agreement. That section provides that, in the event of an event of a default under the master lease:

> the Trustee shall give prompt written notice of such event of default to the Lessee, the Grantor and the Beneficiaries by certified mail, postage prepaid. In the event that such event of default has not been cured within 30 days after mailing of such notice, the Trustee shall take such action or shall refrain from taking such action, not inconsistent with the provisions of the Agreements, with respect to such event of default as the Trustee shall be directed in writing by all of the Beneficiaries, or, if no such direction has been received from all of the Beneficiaries within 30 days after the mailing of such notice to the Beneficiaries, the Trustee shall, in its sole discretion ... take such action as shall be necessary to terminate the Master Lease, to obtain the benefits of the Master Collateral Assignment Agreement and to cause the Lessee thereunder to perform all of its obligations upon such termination.

(emphasis supplied).

Prior to commencing the Spacenet action, the trustee sent the requisite notice under Section 5.02 of the Investor Trust Agreement to the proper parties, including the beneficiaries, and did not, in return, receive any "directions" from the beneficiaries.

By decision and judgment dated October 21, 1998, this Court held that the Trust Agreement did not confer upon the trustee authority to settle the action in question.[1] Having decided that such authority to settle the Spacenet action was lacking, the Court never reached the trustee's further request for judicial approval of the proposed settlement. The trustee appealed from the October 21, 1998 decision and judgment.

The Appellate Division reversed (__ AD2d __ , 706 NYS2d 114 [First Dept 2000]). The Appellate Division held that the trustee was, in fact, vested with the authority to settle the Spacenet action, stating that:

> It is settled that the duties and powers of a trustee are defined by the terms of the trust agreement and are tempered only by the fiduciary obligation of loyalty to the beneficiaries (see, United States Trust Co. of N. Y. v First Nat. City Bank, 57 AD2d 285, 295-296 affd 45 NY2d 869; Restatement [Second] of Trusts § 186, comments a, d). In this matter, the same provision of the trust agreement which, the parties do not dispute, gave the trustee the power to commence the underlying action, also vests the trustee with the power to "take such action as shall be necessary" with respect to the subject matter of the underlying action. We now find that this provision includes the power to settle that action. We take no position on whether the settlement agreement, in its present form, should be approved and remand the matter to the IAS court to consider all relevant factors in determining whether such approval is warranted.

(Id.).

Thus, this matter is now before this Court on remand to determine

---

[1] On a motion seeking, inter alia, reargument and clarification of the October 21, 1998 decision and judgment, this Court held that the trustee had the authority, pursuant to section 5.02 of the Investor Trust Agreement, to "take such action" as might be necessary under the circumstances, including commencing the Spacenet action (Decision and Order dated April 12, 1999).

whether or not approval of the proposed settlement is warranted.

As set forth in the Petition, the trustee maintains that the proposed settlement of the Spacenet action is reasonable and prudent, and the best way to conserve and protect the Trust's assets. In support, the trustee argues that: (a) there is a serious risk that the Spacenet defendants may prevail on one or more of the defenses asserted by them in the Spacenet action, thereby precluding any recovery by the trustee in the Spacenet action; and (b) prosecution of the Spacenet action would be very costly and time consuming, because such cases are extremely expert-intensive and technically complex.

The opposition offered by the 186 trust beneficiaries goes primarily to their belief that the settlement amount is too low. They claim that the proposed settlement is unreasonable and contrary to their best interests, arguing that: (a) the plain terms of the Fuel Agreement require payment of the "Stipulated Loss Value" of approximately $40 million (now over $60 million with interest); (b) the proposed settlement would substantially compromise that amount to $8.5 million; and (c) the trustee has not in any way tested any of the defenses raised in the Spacenet litigation, but rather agreed to that substantial compromise despite having failed to take any discovery or to file any dispositive motions in the Spacenet litigation.

Since the objecting beneficiaries have not submitted any evidence to show that the trustee's actions may have been based on some ulterior motive or that the trustee is somehow itself interested in the transaction other than in its fiduciary capacity, the trustee submits that the dispute comes down to whose view as to the

wisdom of the proposed settlement should prevail - - that of the trustee or that of the objecting beneficiaries.

Here, the trustee is the entity to whom the Investor Trust Agreement gives sole power to "take such action as shall be necessary" with respect to the subject matter of the underlying action. While there is some question as to whether the applicable standard of review here is the business judgment rule or the prudent man standard, the conclusion is the same under either standard - - the trustee's decision to compromise the Spacenet action is within the scope of the trustee's powers, is reasonable and prudent, and is entitled to judicial deference. Thus, in view of the trustee's showing of the reasonableness of the proposed settlement herein, and in the absence of any evidence tending to show a breach by the trustee of its fiduciary duties, the trustee's view must prevail. The Court will not invalidate the proposed settlement merely because certain beneficiaries believe a greater recovery might be obtained if the Spacenet action is submitted to an expensive and unpredictable litigation.

CONCLUSION

Accordingly, on remand, the Court holds that approval of the proposed settlement of the Spacenet action is warranted, and grants the trustee's motion to that extent. Settle order/judgment.

Dated: August 16, 2000

ENTER:

J.S.C.

TAB 3

SUPREME COURT OF THE STATE NEW YORK — NEW YORK COUNTY

PRESENT: Hon. IRA GAMMERMAN PART 27

Justice

Bankers Trustee Company

-v-

X

INDEX NO. 114077/98

MOTION DATE

MOTION SEQ. NO. 001

MOTION CAL. NO.

The following papers, numbered 1 to _____ were read on this motion to/for _____

	PAPERS NUMBERED
Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...	
Answering Affidavits — Exhibits	
Replying Affidavits	

Cross-Motion: ☐ Yes ☐ No

Upon the foregoing papers, it is ordered that this motion

MOTION DECIDED IN ACCORDANCE WITH ATTACHED MEMORANDUM DECISION

FILED

MAR 22 1999

COUNTY CLERK'S OFFICE
NEW YORK

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE

J.S.C.

DATED:

Dated: MAR 8 1999

IRA GAMMERMAN J.S.C.

Check one: ☐ FINAL DISPOSITION ☐ NON-FINAL DISPOSITION

(3974)

[redacted]

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: IAS PART 27

----------X

In the Matter of the Application of

BANKERS TRUSTEE COMPANY LIMITED

(not in its individual capacity but in its capacity as Indenture Trustee under a Trust Indenture dated as of December 29, 1993, as supplemented by a First Supplemental Indenture, dated as of December 10, 1996, among Fifth Mexican acceptance Corporation, S.A., as Issuer, Grupo Sidek, S.A. de C.V. and Grupo Situr, S.A. de C.V., as Guarantors, Bankers Trustee Company Limited, as Trustee, Bankers Trust Company, London Branch, as principal Paying Agent, and Bankers Trust Company as Registrar),

Index No. 114077/98

P.C. No. 13974

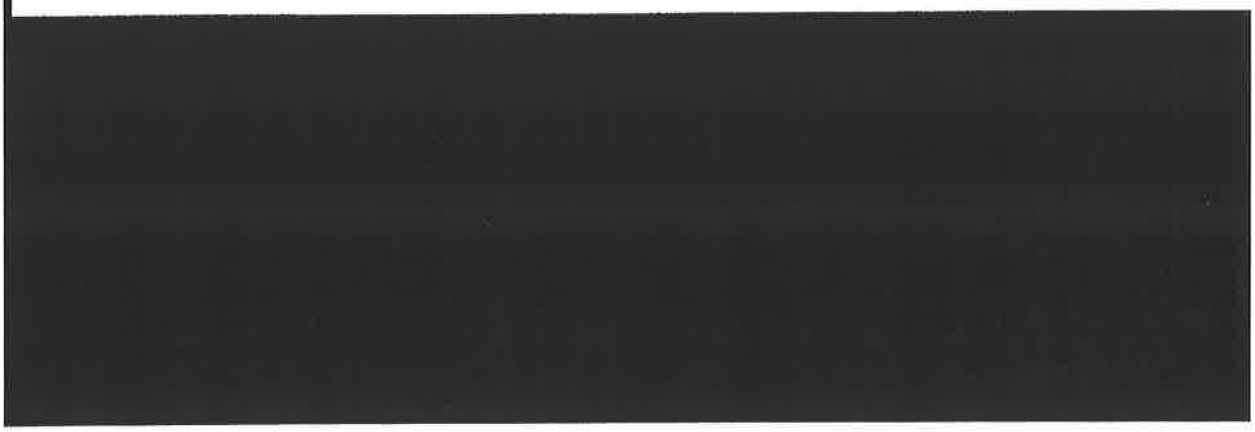
Petitioner,

for an order, pursuant to CPLR Section 7701, for Judicial Instructions.

----------X

GAMMERMAN, J.:

Petitioner Bankers Trustee Company Limited ("BT") commenced this proceeding seeking judicial instructions with respect to its service as Indenture Trustee under a Trust Indenture dated December 29, 1993, as supplemented by a First Supplemental Indenture, dated December 10, 1996. Fifth Mexican Acceptance Corporation ("5MAC") is named as issuer, Grupo Sidek, S.A. de C.V. ("Sidek") and Grupo Situr, S.A. de C.V. ("Situr") as guarantors, BT as trustee, Bankers Trust Company, London Branch as principal paying agent, and Bankers Trust Company is named as registrar.



Notes $75,000,000 (the "5MAC Notes" totaling) were issued. Sixty million dollars of the total are 8% Class A Guaranteed Securitized Notes due 1998 ("5MAC Class A Notes"). Fifteen million dollars are 9% Securitized Subordinated Notes due 1998 ("5MAC Class B Notes"). Sidek and the Guarantors have been in default under the Notes and guaranties since mid-1996.

In May 1997, the Majority shareholders of 5MAC, BEA Associates ("BEA"), issued a "Direction to the Trustee by a Holder Holding in Excess of the Majority of the Outstanding Principal Aggregate Amount of Class A Notes of Fifth Mexican Acceptance Corporation, S.A." (the "Direction"). The Direction irrevocably directed BT to sell some of the collateral, for $2,260,000, deposit the proceeds in an interest bearing escrow account, and pay the "holders of Class A Notes tendering their Class A Notes pursuant to an offer to purchase up to $4,520,000 aggregate principal amount of Class A Notes for a cash payment equal to 50% of the outstanding principal amount of the Class A Notes tendered." If the offer were not consummated, payment of the sale proceeds were to be in accordance with Paragraph 8 of the Direction. Paragraph 8 provides that if the offer was not consummated by September 15, 1997, "the Sale Proceeds shall remain in the escrow account to be applied exclusively for the redemption of Class A notes on terms and conditions substantially identical to the terms and conditions of the Offer."

[redacted]

Approximately a year later, BEA, together with Smith Management LLC ("Smith Management"), another holder of 5MAC Class A Notes, issued what is titled "Direction Letter Regarding the Allegro/Solitaire Proceeds" (the "Letter"). The Letter purports to direct BT to dispose of the $2,260,000 received as proceeds of the sale of collateral (the "Allegro/Solitaire Proceeds"), in accordance with section 6.08 of the Indenture. That section provides for payment of 100% of the outstanding principal. The Letter makes no mention of the Direction, and authorizes BT to file any necessary pleadings to obtain a decree that the proceeds are available in accordance with section 6.08.

This proceeding ensued, in which BT seeks instruction as to the proper disposition of the Allegro/Solitaire proceeds. BT contends that since the exchange offer was never consummated, the funds should be disposed of in accordance with section 6.08 of the Indenture. Smith Management and BEA also contend that section 6.08 should govern, and maintain that BEA was permitted to issue new directions without the consent of Sidek or Situr because they are in default, and that the Letter now controls.

Neither the majority shareholders nor BT address the fact that the Direction explicitly states that it is irrevocable, and provides for disposition of the funds in the event that the exchange offer were not consummated. They also have not offered any basis to avoid the clear, unambiguous terms of the Direction.

[redacted]

BEA and Smith Management contend that, a year after the Direction, Sidek and Situr made a different exchange offer, which demonstrates that they abandoned any intent to proceed with the exchange offer in the Direction, and commenced a different transaction which irrevocably altered the rights of the parties. BEA and Smith failed to provide any evidence to support this contention. Further, 5MAC, Sidek and Situr presented evidence that the subsequent transaction not only did not demonstrate an intent to abandon the prior understanding, but assumed that the Allegro/Solitaire Proceeds would be distributed in accordance with the Direction. Thus, this argument, too, is unavailing. Accordingly, BT is to distribute the proceeds in accordance with paragraph 8 of the Direction.

BT contends that it is entitled to obtain reimbursement for its fees and expenses as provided in the Indenture. BEA and Smith argue that BT is not entitled to charge the proceeds for fees and expenses, other than those incurred in making this motion, because BEA and Smith have a lawsuit pending against BT for damages arising out of BT's alleged failure to perform its duties under the Indenture. BEA and Smith also maintain that BT should not be allowed to charge the proceeds for any costs incurred in defense of the lawsuit.

The fact that BEA and Smith have commenced a lawsuit against BT does not mean that BT cannot recover it fees and expenses to which it would otherwise be entitled. However, since BT is a

foreign entity, the fees should be placed in escrow, in an American bank to be agreed upon by the parties, pending the outcome of that lawsuit.

Accordingly, the petition is granted to the extent that Bankers Trustee Company Limited is directed to dispose of the Allegro/Solitaire Proceeds, as provided in paragraph 8 of the May 1997 Direction to the Trustee by a Holder Holding in Excess of the Majority of the Outstanding Aggregate Principal Amount of Class A Notes of Fifth Mexican Acceptance Corporation, S.A. In addition, any fees or expenses to be paid to Bankers Trustee Company Limited from the Allegro/Solitaire Proceeds are to be held in escrow, in an American bank to be agreed upon by the parties, pending the outcome of *BEA Associates v Bankers Trustee Co. Ltd.*, index no. 603900/1998.

This constitutes the decision and judgment of the court.

Dated: March 8, 1999

ENTER:

J.S.C.

IRA GAMMERMAN

FILED

MAR 22 1999

COUNTY CLERK'S OFFICE
NEW YORK

Norman Goodman
Clerk

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

114077/98

In the Matter of the Application of

BANKERS TRUSTEE COMPANY LIMITED

(not in its individual capacity but in its capacity as Indenture Trustee under a Trust Indenture dated as of December 29, 1993 as supplemented by a First Supplemental Indenture, dated as of December 10, 1996, among Fifth Mexican Acceptance Corporation, S.A., as Issuer, Grupo Sidek, S.A. de C.V. and Grupo Situr, S.A. de C.V., as Guarantors, Bankers Trustee Company Limited, as Trustee, Bankers Trust Company, London Branch, as Principal Paying Agent, and Bankers Trust Company as Registrar),

Petitioner,

for an order, pursuant to CPLR Section 7701, for Judicial Instructions.

~~ORDER TO SHOW CAUSE SEEKING JUDICIAL INSTRUCTIONS~~

Judgment

WINTHROP, STIMSON, PUTNAM & ROBERTS,
Attorneys for Petitioner, Bankers Trustee Company Limited
One Battery Park Plaza
New York, NY 10004-1490
212-858-1000

FILED
MAR 22 1999
AT 10:10 AM
N.Y., CO. CLK'S OFFICE

FILED
~~MAR 2 2 1999~~
~~COUNTY CLERK'S OFFICE~~
~~NEW YORK~~

TAB 4

SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY

PRESENT: Hon. Ira Gammerman Justice PART 27

Bankers Trust Co, Ltd as Indenture Trustee -v-

INDEX NO. 604336/96

MOTION DATE 7/24/97

MOTION SEQ. NO. 001

MOTION CAL. NO.

The following papers, numbered 1 to _____ were read on this motion to/for _____

	PAPERS NUMBERED
Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...	
Answering Affidavits — Exhibits	
Replying Affidavits	

Cross-Motion: ☐ Yes ☐ No

Upon the foregoing papers, it is ordered that this motion

Sec record for decision T. Cuda

It is so ordered

Exes

FILED

JUL 31 1997

COUNTY CLERK'S OFFICE
NEW YORK

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
DATED: J.S.C.

Dated: 7/24/97

Ira. Gammerman J.S.C.

Check one: ☑ FINAL DISPOSITION ☐ NON-FINAL DISPOSITION

(1158O) CASE DISP

[redacted]

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

----------x

IN RE BANKERS TRUST CO. LTD.

604/336-96

----------x

60 Centre Street
New York, N.Y.
July 24, 1997

B E F O R E: HON. IRA GAMMERMAN, JSC

APPEARANCES:

WINTHROP, STIMSON, PUTNAM & ROBERTS,
Attorneys for Petitioner
One Battery Park Plaza,
New York, N.Y.
10004
BY: Joe Owens, Esq.
Jon G. Filipek, Esq.

Theodore Custer,
Official Court Reporter

[redacted]

THE COURT: This case is 11580. This is a special proceeding brought pursuant to Article 77 in which the Petitioner, Bankers Trust Company, seeks judicial instructions with respect to its service as an indenture trustee under four separate indentures. The indentures were issued between October of 1991 and August of '94 by a special purpose Mexican corporate entity known as Mexican Acceptance Corporation.

There are four issues, as I indicated, referred to as First MAC, Third MAC, Fifth MAC and Seventh MAC. Each of the MAC entities issued both Class A and Class B notes which collectively totalled approximately $400 million. The notes were issued to finance certain real estate and vacation resort development activities of a company called Grupo Sidek, S.A. de C.V., and its subsidiary , Grupo Situr, S.A. de C.V. and their wholly owned or majority owned subsidiaries, all of which are Mexican companies, and I will refer to

them all as the Sidek Group. Repayment of principal and interest on certain, but not all of the classes of notes was guaranteed by Sidek, Situr, or, I guess, a bank in Mexico, Nacional Financera S.A, a national development bank of the United Mexican states. As a result of financial difficulties faced by the Sidek group, events of default have occurred under the indentures and further events of default are anticipated. The petitioner asserts that it may therefore find it necessary to take enforcement action on the notes. It claims that it faces potential conflicts of interest in its capacity ; that is, actions it might take in furtherance of the interests of one class of noteholders against the limited assets of the guarantors, may have a potential conflict with the interests of one or more other classes of noteholders.

In the petition , Bankers Trust sets forth a specific set of principles which, assuming it could obtain judicial approval

of those principles, it intends to follow with regard to its duties with respect to the indentures. They include that the Bankers Trust will remain as trustee under the indentures; the formation, if desired, by each class of noteholders of committees; the retention by each committee of independent counsel; the possible formation of a steering committee composed of representatives of the individual committees; efforts by the petitioner to insure the professional representation of each class. This would include treating similarly situated noteholders equally, and identifying and realizing upon all collateral, enforcing the provisions of the indentures and strictly enforcing the subordination and priority provisions of each of the indentures.

The sole objection to the petition is made by three MAC Class B noteholders: a company called Argonaut Partnership, L.P., a company called - or partnership, I guess or entity called Gabriel Capital , L.P., and the third is the Gerstenhaber Investments,

L.P. I will refer to them as collectively the Argonaut noteholders. These notes were purchased on the secondary market and obtained by assignment rights- under two put agreements entered into between Sidek as guarantor of the three MAC notes and the original purchaser of those notes. These put agreements permit the holders of the notes to put the notes to Sidek on March 15, 1996, two years before the notes mature under the indenture.

Thus, the Argonaut noteholders have been able to bring suit against Sidek in the federal court for violation of the put agreements. The petitioner contends that practically speaking, the result of a successful action in the federal court would be to reverse the priority of payment on the Class A and Class B notes from that provided under the terms of the indenture and Sidek guarantees. The Argonaut noteholders have also sued Bankers Trustee and a company called Bancomer, who is the receivables trustee under the

three MAC indenture on the grounds that they have impaired the collateral pledged to secure the repayment of those three MAC npotes.

I am going to grant the petition. Section 7701 of the CPLR specifically provides for a special proceeding to determine a matter relating to any express trust. And it seems to me that sound policy dictates that the practice of permitting a trustee to voluntarily petition the court should be encouraged so the courts may keep some degree of control or supervision over the work of trustees. Here, both the nota-holders and the trustees will benefit from judicial instructions regarding the recovery of assets. The judicial instructions will permit conflicts relating to priorities among noteholders to be resolved in one proceeding instead of in piecemeal in a number of proceedings. And it seems to me it will result in a more equitable distribution of the available assets.

The Argonaut noteholders, the objectors,

contend that this is a trust for the benefit of creditors and is therefore excluded from the provisions or the coverage of Article 77. A trust for the benefit of creditors is a term used to refer to a specific type of trust implied by law in order to protect a corporation's creditors following its dissolution. This trust provides in its granting clauses that it was created to secure the payment of the principal and the interest on the notes; that is, the Sidek reimburseable accounts and the payment of the other reimburseable accounts, the payment to the trustee and the payment and performance of all the obligations and the liabilities under notes. Thus, it is not, in my opinion, a trust created solely for the benefit of creditors but rather in varying degrees to protect the rights of all parties involved in the loan transactions.

So I am granting the petition and I am directing the petitioner to proceed in accordance with the principles which are

set forth in the petition.

This constitutes my decision, and to the extent that it is appropriate under Article 77 to issue a judgment, it's a judgment. If Article 77 calls for an order, it's an order. What you do is get a copy, bring it to me, I'll write so ordered on it. Then you can file it as a judgment or an order.

CERTIFIED, that the foregoing is a true and correct transcript.

Theodore Custer,
Official Court Reporter

8/7/97 So ordered

FILED
AUG 8 1997
COUNTY CLERK'S OFFICE
NEW YORK

FILED GAMMERMAN

Clerk

Index No.

SUPREME COURT OF THE
STATE OF NEW YORK

COUNTY OF NEW YORK

In re BANKERS TRUSTEE COMPANY LIMITED, as Indenture Trustee under the following Trust Indentures: First Mexican Acceptance Corporation, S.A., dated as of October 9, 1991; Third Mexican Acceptance Corporation, S.A., dated as of April 23, 1993; Fifth Mexican Acceptance Corporation, S.A., dated as of December 29, 1993; and Seventh Mexican Acceptance Corporation, S.A., dated as of August 30, 1994.

JUDGMENT

FILED
AUG 08 1997
AT 12:00 P.M.
N.Y. CO. CLK'S OFFICE

WINTHROP, STIMSON, PUTNAM & ROBERTS
ATTORNEYS FOR

One Battery Park Plaza
New York, NY 10004-1490
(212) 858-1000

TAB 5

18 Misc.3d 1138(A), 859 N.Y.S.2d 895, 2008 WL 498090 (N.Y.Sup.), 2008 N.Y. Slip Op. 50342(U)
(Table, Text in WESTLAW), Unreported Disposition
(Cite as: 18 Misc.3d 1138(A), 2008 WL 498090 (N.Y.Sup.))

H

NOTE: THIS OPINION WILL NOT BE PUBLISHED IN A PRINTED VOLUME. THE DISPOSITION WILL APPEAR IN A REPORTER TABLE.

Supreme Court, New York County, New York.
In the Matter of the JUDICIAL SETTLEMENT OF the FIRST INTERMEDIATE ACCOUNTS OF PROCEEDINGS OF CENTRAL HANOVER BANK AND TRUST COMPANY, as Trustee under those six agreements of trust dated September 16, 1927, and under that certain agreement of trust dated October 5, 1927, made by Elizabeth L. De Sanchez.
In the Matter of the Judicial Settlement of the Second Intermediate Account of Proceedings of Manufacturers Hanover Trust Company, as Trustee under Trust Agreement dated September 16, 1927, made by Elizabeth L. de Sanchez, as Grantor, for the benefit of Emilio Sanchez.
In the Matter of the Judicial Settlement of the Second Intermediate Account of Proceedings of Manufacturers Hanover Trust Company, as Trustee under Trust Agreement dated October 5, 1927, made by Elizabeth L. de Sanchez, as Grantor, for the benefit of Emilio Sanchez.
In the Matter of the Judicial Settlement of the Second and Final Account of Proceedings of Manufacturers Hanover Trust Company, as Trustee under Trust Agreement dated September 16, 1927, made by Elizabeth L. de Sanchez, as Grantor, for the benefit of Jorge Sanchez and for a construction of said Agreement and a determination of the disposition of property thereunder.
In the Matter of the Judicial Settlement of the Second Intermediate Account of Proceedings of Manufacturers Hanover Trust Company, as Trustee under Trust Agreement dated September 16, 1927, made by Elizabeth L. de Sanchez, as Grantor, for the benefit of Marcelo Sanchez and for a construction of said Agreement and a determination of the disposition of property thereunder.

No. 9650/1952.
Jan. 3, 2008.

CAROL ROBINSON EDMEAD, J.

***1** In 1927, just two years before the Great Depression, Elizabeth Laurent de Sanchez, whose family owned a sugar plantation in pre-Castro Cuba, set up seven trusts to benefit her six children. After her death, in 1953, this court settled and approved the trustee's intermediate accounts for the trusts. Thereafter, Ms. Sanchez's family emigrated to the United States. In 1974 and 1975, the court settled the trustee's accounts for three of the trusts. Now, some 50 years after the first judicial settlement and 30 years after the final two judicial settlements, her many descendants seek to vacate the judgments settling these accounts.

Specifically, income beneficiaries/remainder beneficiaries Pedro and Adolfo Arellano Lamar (hereinafter referred to as the movants [FN1]) move, by order to show cause, pursuant to CPLR 5015(a)(3) and (4), to vacate the 1953 and 1975 judgments settling these accounts. Income beneficiaries/remainder beneficiaries Eugenio J. Silva, Julieta C. Silva, Julieta Cadenas, Felipe G. Silva, Estate of Flora Lamar de Fanjul, Justo Lamar Sanchez, Emilio Jose Lamar, Peter Lamar, Diana Puccetti, Marcelo Lamar, Luis Lamar, Maria Elizabeth Lamar, Ann Maria Lamar de Cesares, Elisa Gloria Lamar, Maria Luisa Suarez Rivas, Beatriz Diego, Flora M. Suarez Fanjul, Jorge B. Fanjul, Julio A. Fanjul, Justo E. Fanjul, and Marcelo E. Fanjul (collectively referred to as the cross movants) cross-move to vacate the judicial settlements, in addition to the 1974 judicial settlement. Movants and cross movants assert that these judicial settlements should be vacated because the trustee engaged in constructive fraud on them, and because the court did not obtain personal jurisdiction over them.

FN1. Both movants and cross movants refer to themselves as "petitioners." However, pursuant to CPLR 401, "[t]he party commencing a special proceeding shall be styled the petitioner." Movants and cross movants did not commence these special proceedings in 1952 and 1974, but rather, are seeking to vacate the judgments rendered in these proceedings.

FACTUAL BACKGROUND

The Trusts

On September 16, 1927, Elizabeth Laurent de Sanchez (the settlor) established six irrevocable *inter vivos* trusts for the benefit of each of her six children:

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Emilio Sanchez (Emilio), Jorge B. Sanchez (Jorge), Julio Sanchez (Julio), Marcelo Sanchez (Marcelo), Maria Sanchez de Lamar (Maria), and Gabriela Sanchez de Cadenas (Gabriela). Thereafter, on October 5, 1927, the settlor established a second trust for Emilio. The principal amount in the seven trusts was approximately $498,944.

Central Union Trust Company of New York, the predecessor in interest to petitioners and JP Morgan Chase Bank, N.A. (the Bank), was named as the trustee for all seven of the trusts. The law firm Larkin Rathbone & Perry, the predecessor to Kelley, Drye & Warren LLP (the Bank's current counsel), drafted the trust instruments.

Movants are the great-grandchildren of the settlor, the grandchildren of Maria, and the children of Elizabeth Sanchez de Lamar. Cross movants are all the descendants of Maria or Gabriela.

The 1952 Accounting Proceeding

The settlor died on March 15, 1951. By order to show cause dated July 21, 1952 and petition dated July 18, 1952, the Bank commenced an accounting proceeding in Supreme Court (Index No. 9650/1952), seeking a judicial settlement of its first intermediate accounts for the trusts, which were filed with the County Clerk. The court directed service of the order to show cause and petition on nonresident interested persons by registered mail. In addition, the court appointed Eugene J. Keefe, Esq. ("Keefe") as a guardian ad litem to receive service of the order to show cause and petition on behalf of certain infant interested persons.

***2** An affidavit of mailing dated July 31, 1952 indicates that, on that date, the order to show cause and petition were sent via registered mail to the interested persons. All of the interested parties lived in Cuba, except for two individuals with addresses in Miami, Florida. Thereafter, on September 10, 1952, after the infants had not appeared through a guardian, the court appointed Keefe to represent the infants. The guardian ad litem appeared on behalf of the infants and filed a report with the court, in which he concluded that, after a thorough review of the proof of service, the court had proper jurisdiction over the infants that he represented. He also concluded that the seven accounts "clearly appear to [him] as being proper and correct and [he had] no objection to their judicial settlement as filed."

Having received no objections to the accounts, on February 25, 1953, the court entered a "final order" approving the Bank's first intermediate accountings with respect to the trusts. The court judicially settled the acts by the Bank for the period from September 16, 1927 through March 15, 1951 for the seven trusts, and awarded the Bank commissions for the period. The Bank was "fully and finally relieved and discharged of and from any further responsibility, liability or accountability respecting said Trusts or the administration thereof as embraced in said accounts or occurring during the periods covered by said accounts or in this proceeding."

The 1974 Accounting Proceedings

Jorge Sanchez died in 1967, survived by neither a wife nor any children. Emilio Sanchez died shortly after Jorge that same year, survived by one son, Emilio Sanchez Fonts. Marcelo Sanchez died in 1970, survived by his wife, Helen Sanchez, and no children. Elizabeth and movants each had contingent income and remainder interests in the Jorge and Marcelo trusts.

By orders to show cause dated March 27 and 29, 1974 and petitions dated March 21, 1974, the Bank commenced two accounting proceedings in Supreme Court. The first proceeding (Index No. 4574/1974) sought a judicial settlement of Emilio's September 1927 and October 1927 trusts. The second proceeding (Index No. 4573/1974) sought a judicial settlement of: (1) the Bank's second and final accounts for Jorge's trust, for the period from March 15, 1951 through December 8, 1970, as supplemented for the period from December 8, 1970 through July 25, 1972; and (2) the Bank's second and final accounts for Marcelo's trust, for the period from March 15, 1951 through December 8, 1970, as supplemented for the period from December 8, 1970 through July 25, 1972.

The court directed service of the orders to show cause and petitions on certain nonresident interested persons by registered mail, but not on certain beneficiaries who were "virtually represented" pursuant to CPLR 7703. Four affidavits of service state that, in April 1974, the interested persons were served by registered mail. A guardian *ad litem* appeared but withdrew after it was determined that his wards had attained the age of majority.

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*3 After receiving no objections to the accounts, on August 30, 1974, the court approved and judicially settled the Bank's accounts for the relevant period with respect to the Emilio trusts, and awarded the Bank commissions. The Bank was "fully, finally and forever released and discharged of and from any and all liability, responsibility or further accountability for each and all of its acts and proceedings as set forth in said second intermediate account and supplement thereto."

The Bank also sought a construction of provisions of the Jorge and Marcelo trusts because of a possible violation of the Rule Against Perpetuities (Personal Property Law x 11 [currently EPTL x 9-1.1]). Under the terms of the trust for Jorge, one-fifth of his trust became distributable to Marcelo's trust upon Jorge's death. After Marcelo's death, that part would violate the Rule Against Perpetuities since it would have been held for two lives in being (Jorge and Marcelo). On July 17, 1975, the court determined that the one-fifth share received from Jorge's trust rested absolutely in Marcelo's estate.

On September 11, 1975, after receiving no objections to the accounts, the court issued a judgment which judicially settled and approved the acts of the Bank with respect to the Marcelo and Jorge trusts. The judgment states, in pertinent part, that the Bank was "fully, finally and forever released and discharged of and from any and all liability, responsibility or further accountability for each and all of its acts and proceedings as set forth in said second and final account and said supplement thereto."

Procedural History

By order to show cause dated June 15, 2005, movants moved to vacate the 1953 and 1975 judicial settlements. Cross movants thereafter made a cross motion to vacate the 1953, 1974, and 1975 judicial settlements, and in the alternative, requested that the motions be transferred to Surrogate's Court, New York County, to be consolidated with pending accounting proceedings in that court under Index No. 3187/2001. On November 10, 2005, the court (Wetzel, J.) granted the cross motion to the extent of transferring the motions to Surrogate's Court. However, after the Surrogate's Court questioned its jurisdiction to vacate prior judgments of this court, the parties entered into a so-ordered stipulation dated August 28, 2006 transferring the motions back to this court. By interim decision dated September 13, 2007, the court denied the branch of cross movants' motion seeking removal pursuant to SCPA 501 to Surrogate's Court.

DISCUSSION

Lack of Personal Jurisdiction

The court may relieve an aggrieved party from a judgment "upon the ground of ... lack of jurisdiction to render the judgment" (CPLR 5015[a][4]). Under this subdivision, if the court lacked jurisdiction over a defendant, vacatur is not discretionary (*see Cipriano v. Hank*, 197 A.D.2d 295, 298 [1st Dept 1994]; *Boorman v. Deutsch*, 152 A.D.2d 48, 51 [1st Dept 1989], *appeal dismissed* 76 N.Y.2d 889 [1990]; *Shaw v. Shaw*, 97 A.D.2d 403, 404 [2d Dept 1983]). A motion to vacate a judgment for lack of jurisdiction may be made at any time (Siegel, Practice Commentaries, McKinney's Cons Laws of NY, Book 7B, CPLR C5015:3, at 206).

*4 Movants and cross movants deny receiving notice for the 1952 accounting proceeding.[FN2] Movants and cross movants also claim that jurisdiction was invalid because the Bank sent notice in 1952 to incorrect addresses. For example, Pedro Arellano Lamar and Justo Lamar Sanchez, Maria's son, state that the address for Maria Calle 22, No. 67 esq. Ave., Reparto Miramar, Havana, Cuba was not her current address at the time and should have been Calle 16, No.701 Esquina a 7a Avenida, Reparto Miramar, Marianao, Havana, Cuba (Arellano Lamar 6/13/05 Aff., ¶ 10; Lamar Sanchez Aff., ¶ 7). According to Pedro Arellano Lamar, the notices should have been sent to him and his sister care of his parents at Calle 20 # 515, Reparto Miramar, Marianao, Havana, Cuba, rather than Calle 20, No. 59, Miramar, Havana, Cuba (Arellano Lamar 6/13/05 Aff., ¶ 11). However, in subsequent affidavits, Arellano Lamar states that in 1951, "Elizabeth Lamar, Pedro R. Arellano, and the Arellano Lamars lived at Calle 20 # 515, *formerly known as Calle 20 # 59* " (Arellano Lamar 7/31/06 Aff., ¶ 10; Arellano Lamar 1/19/07 Aff., ¶ 20). Julieta Cadenas Silva states that the family summered primarily in Varadero Beach, Cuba from June through September each year, and occasionally traveled to Santa Cruz del Sur, near Camaguey, during these months, and did not have mail forwarded to either location (Cadenas Silva Aff., ¶ 12).

FN2. Specifically, Pedro Arellano Lamar

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> avers that neither his "mother, father nor [he] had, or have, any recollection or record of ever having received any of the required notices" for the 1952 accounting proceeding (Arellano Lamar 6/13/05 Aff., ¶ 10). Similarly, Julieta Cadenas Silva, Gabriela's daughter, states that she has no recollection of either her mother or her receiving notice of the 1952 proceeding (Cadenas Silva Aff., ¶ 12). Justo Lamar Sanchez also submits an affidavit in which he states that he has no recollection of receiving notice of the proceeding (Lamar Sanchez Aff., ¶ 5).

Due process does not require actual receipt of notice before issues concerning a person's property interests may be adjudicated (*Orra Realty Corp. v. Gillen*, AD3d, 2007 WL 4328437, *2, 2007 N.Y.App.Div. LEXIS 12554, * *5 [2d Dept, Dec. 11, 2007]). Rather, it mandates only "notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections" (*Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 [1950]). In *Mullane,* the Supreme Court held that notice of a settlement proceeding by publication to beneficiaries of a trust fund, whose names and addresses were "at hand," was insufficient, and that notice by ordinary mail was required (*Kennedy v. Mossafa*, 100 N.Y.2d 1, 9 [2003], citing *Mullane*, 339 U.S. at 318).

An affidavit of service attesting to proper service creates a rebuttable presumption that process was properly mailed and received (*Kihl v. Pfeffer*, 94 N.Y.2d 118, 122 [1999]; *News Syndicate Co. v. Gatti Paper Stock Corp.*, 256 N.Y. 211, 214, *rearg. denied* 256 N.Y. 678 [1931]; *Dokoudovsky v. 21043 Corp.*, 189 A.D.2d 618, 619 [1st Dept 1993]). "[S]ervice by mail is complete regardless of delivery where the mailing itself complies with all of the requisites of the rule" (*Anthony v. Schofeld*, 265 App.Div. 423, 425 [4th Dept 1943]). However, the presumption can be overcome by evidence that the papers were mailed to the wrong address (*Northern v. Hernandez*, 17 AD3d 285, 286 [1st Dept 2005]; *Matter of Holland v. New York City*, 271 A.D.2d 609, 610 [2d Dept 2000]).

***5** Here, movants and cross movants have failed to rebut the presumption of proper service. The Bank provides a properly executed affidavit of service showing that, on July 31, 1952, the interested parties, including Maria and Gabriela and their children and grandchildren, were served by registered mail for the 1952 accounting proceeding (*see* Lelen Aff., Exh. A). The affidavit of service shows that process was sent to Maria to "Calle 22, no. 67 esq. Ave., Reparto Miramar, Havana, Cuba," and to Gabriela at "Klo 15, Arroyo Arena, Havana, Cuba" (*id.*).

The Bank's records reflect that it sent correspondence to Maria at that same address in 1949, 1950, and three months before in 1952 (*id.,* Exhs. C, D). It was not until seven years later, in 1959, that the Bank learned that her address had changed, after a 1959 statement was returned to the Bank (*id.,* Exh. D). As conceded by Arellano Lamar in his July 2006 and January 2007 affidavits, Calle 20 # 515 was formerly known as Calle 20 # 59, and thus was a correct address for his family. There is also no evidence that the mailing to Calle 20 # 59 was ever returned to the Bank. Further, Cadenas Silva does not deny that the family lived at the Havana address that the Bank sent process to in 1952. That the family lived away from their Havana address for four months of the year does not establish that the Bank sent process to an incorrect address (*see Ortiz v. Santiago*, 303 A.D.2d 1, 5 [1st Dept 2003] [defendant, who claimed she was served at an incorrect address, failed to rebut presumption of proper service where she did not deny living at that address]). Accordingly, the proof of proper service is unrebutted [FN3] (*see Mei Yun Li v. Qing He Xu*, 38 AD3d 731, 732 [2d Dept 2007]; *General Motors Acceptance Corp. v. Grade A Auto Body, Inc.*, 21 AD3d 447 [2d Dept 2005]; *Matter of State Farm Mut. Auto Ins. Co. [Kankam]*, 3 AD3d 418, 419 [1st Dept 2004]). Moreover, the guardian was appointed to receive service on behalf of the infants.

> FN3. Notably, movants and cross movants do not argue that the Bank failed to follow proper procedures in sending notice. A denial of receipt coupled with a failure to follow proper procedure may be sufficient to rebut the presumption that notice was properly received (*see Nassau Ins. Co. v. Murray*, 46 N.Y.2d 828, 830 [1978]; *Matter of Connolly [Allstate Ins. Co.]*, 213 A.D.2d 787, 788 [3d Dept 1995]).

Additionally, movants' assertions that they did not receive notice of the 1974 proceedings are equally

without merit in view of the affidavits of service that the Bank sent process to 4259 S.W. 69th Avenue, Miami, Florida 33155 (Lelen Aff., Exh. B), which was the address that Elizabeth gave the Bank for her and her children that same year (*id.*, Exh. C).

Movants also claim that the court improperly allowed their mother, Elizabeth Sanchez Lamar, to "virtually represent" their interests in the Jorge and Marcelo accounting proceeding in 1974.

The doctrine of "virtual representation" allows one who is a party (the representor), to represent persons or a class of persons (representees) who have future (remainder) interests in the estate (*Buechel v. Bain*, 97 N.Y.2d 295, 308 [2001], *cert denied* 535 U.S. 1096 [2002]; *Matter of Goldstick*, 177 A.D.2d 225, 233-234 [1st Dept 1992]; *Matter of Putignano*, 82 Misc.2d 389, 390 [Sur Ct, Kings County 1975]). Underlying this doctrine is the theory that the representor, in pursuing his or her own economic interests, must necessarily protect the rights of representees having the same interest (*Matter of Putignano*, 82 Misc.2d at 391). If the doctrine applies, the representees need not be served with process or made actual parties because they are virtually represented (*id.* at 390). However, if virtual representation is improperly applied, the resulting judgment may be subject to direct or collateral attack (*id.*; *Matter of Silver*, 72 Misc.2d 963, 966 [Sur Ct, Kings County 1973]).

***6** In 1974, CPLR 7703, the virtual representation statute for Article 77 proceedings, provided as follows:

> (a) Potential member of class. Where an interest in the trust property has been limited in any contingency to the persons who shall compose a certain class upon the happening of a future event, it shall be sufficient to make parties to the proceeding the persons in being who would constitute such class if such event happened immediately before the commencement of the proceeding; and the final order in the proceeding shall be binding and conclusive on all present and future members of the class.

Movants cite *Matter of Blake* (208 Misc. 22 [Sup Ct, New York County 1955]) for the proposition that only remainder interests may be virtually represented. In that case, the court considered whether persons having dual interests of presumptive income interests and remainder interests could represent subsequent contingent remainder interests (*Matter of Blake*, 208 Misc. at 23). The court held that income beneficiaries were not permitted to represent subsequent estates, because the heading of section 1311 of the Civil Practice Act (the predecessor to CPLR 7703) only referred to remainder interests (*id.* at 24).

However, other courts interpreting SCPA 315 (the virtual representation statute for proceedings in Surrogate's Court, which was borrowed from section 1311) did not follow *Matter of Blake's* analysis in determining who could be virtually represented under that statute. In *Matter of Schwartz* (71 Misc.2d 80 [Sur Ct, Nassau County 1972]), the court followed the criterion set forth by the Commission on Estates, i.e., "whether the interests of the class to be represented are likely to be adequately safeguarded. If so, then there would be little reason for denying representation merely because the remainder interest is coupled with an income interest" ' (*id.* at 81-82; *see also Matter of Putignano*, 82 Misc.2d at 392). And, in *Matter of Putignano*, the court noted that "[i]t is illogical to exclude from beneficial purposes of the virtual representation statute, the substantial number of estates where the potential representors and representees have in addition to remainder interests also income interests in the trust" (*Matter of Putignano*, 82 Misc.2d at 393).

Under the "adequacy of representation" test, a secondary income beneficiary is permitted to represent a successor income beneficiary (whether or not either interest is coupled with a remainder interest) because both parties are interested in the principal of a trust, not its income (*see Matter of Leyshon*, 67 Misc.2d 492, 494-495 [Sur Ct, New York County 1971]). Their interests conflict with the interests of the current income beneficiary, but not with each other (*id.*).

The court does not find movants' focus on the label of their interests, rather than the adequacy of representation, to be persuasive. In the instant case, movants' interests in the Jorge and Marcelo trusts were through the Maria trust, and were contingent on the deaths of their grandmother, Maria Lamar, and their mother, Elizabeth Sanchez Lamar. The parties do not dispute that Elizabeth was a secondary income beneficiary and was a presumptive remainder beneficiary. Elizabeth's children, including movants, were successor income beneficiaries and contingent remainder

beneficiaries. Neither Elizabeth nor movants had present interests in income. Therefore, there was no need to serve movants with process in the accounting, since Elizabeth's interests were aligned with that of her children (*see id.*).

*7 The remaining arguments with respect to jurisdiction are unavailing. Cross movants' contention that the settlor's estate was a necessary party in the 1952 proceeding, so many years after the judgment, does not require that it be set aside as to them (*see* Herskowitz v. Friedlander, 224 A.D.2d 305, 306 [1st Dept 1996]). Second, the petitions and orders to show cause adequately apprised the interested persons of the nature of the proceedings; they state that the Bank sought accountings for the trusts and to be relieved of any liability for its acts concerning the trusts for the periods of the accounts (*cf.* Brown v. Giesecke, 40 A.D.2d 1009 [2d Dept 1972] [in mortgage foreclosure action, service on individual of advanced age and lack of experience and understanding was invalid, where it was made on a misrepresentation that it was merely to clear title]). Third, movants' claim that Pedro Arellano Lamar's parents never had an opportunity to procure a guardian in his behalf is not supported by the record.[FN4] In any case, Arellano Lamar was in fact represented by a guardian ad litem in that proceeding.

> FN4. Section 206 of the Civil Practice Act provided that "[w]here an infant defendant resides out of the state ... the court, in its discretion, may make an order designating a person to be his guardian ad litem unless the infant or some one in his behalf procures such a guardian to be appointed as prescribed in this article within a specified time after service of a copy of the order ." As previously noted, the affidavit of service of process for the 1952 proceeding is dated July 31, 1952. The court appointed Keefe to represent the infants on September 10, 1952, after the return date of September 3rd (Lelen Aff., Exh. A).

Therefore, there is no basis to vacate the judgments for jurisdictional reasons.

Constructive Fraud And Misconduct

CPLR 5015 also provides that a judgment or order may be vacated for "fraud, misrepresentation, or other misconduct of an adverse party" (CPLR 5015[a][3]). It is clear that the fraud referred to in CPLR 5015(a)(3) can be "intrinsic" or "extrinsic" to the issues in controversy (*Oppenheimer v. Westcott*, 47 N.Y.2d 595, 603 [1979]; *Avenoso v. Avenoso*, 266 A.D.2d 326, 327 [2d Dept 1999]). In the context of a motion to set aside a judgment, "extrinsic fraud" has been defined as a "fraud practiced in obtaining a judgment such that a party may have been prevented from fully and fairly litigating the matter" ' (*Bank of N.Y. v. Lagakos*, 27 AD3d 678, 679 [2d Dept 2006], quoting *Shaw v. Shaw*, 97 A.D.2d 403 [2d Dept 1983]; *see also Aguirre v. Aguirre*, 245 A.D.2d 5, 7 [1st Dept 1997]).

As noted by the Court of Appeals in *Oppenheimer, supra,* the inclusion of "misrepresentation, or other misconduct" in paragraph (a)(3) broadened the basis for relief beyond what was previously recognized by prior case law, which required that the movant establish the commission of a fraud (*Oppenheimer*, 47 N.Y.2d at 603 [citation omitted]). These factors apply to either what has occurred before the judgment or were the means by which the judgment was procured (*Nachman v. Nachman*, 274 A.D.2d 313, 315 [1st Dept 2000]; *Herskowitz*, 224 A.D.2d at 306; *Mizerik v. Mizerik*, 170 A.D.2d 886, 887 [3d Dept 1991]). The statute, however, does not apply when the moving party had knowledge of the fraud or misconduct before entry of the judgment (*see McGovern v. Getz*, 193 A.D.2d 655, 657 [2d Dept], *lv dismissed* 82 N.Y.2d 741 [1993]).

The court also has the inherent discretionary power to vacate its judgments or orders where it appears that substantial justice will be served and injustice will be prevented (*see Woodson v. Mendon Leasing Corp.*, 100 N.Y.2d 62, 68 [2003]; *Goldman v. Cotter*, 10 AD3d 289, 293 [1st Dept 2004]; *Bronx Intl. Cable v. Metropolitan Constr. Corp.*, 278 A.D.2d 131, 132 [1st Dept 2000]). However, "[a] court's inherent power to exercise control over its judgments is not plenary, and should be resorted to only to relieve a party from judgments taken through [fraud], mistake, inadvertence, surprise or excusable neglect" (*Matter of McKenna v. County of Nassau, Off. of County Attorney*, 61 N.Y.2d 739, 742 [1984] [internal quotation marks and citation omitted]).

***8** The court must first consider whether movants and cross movants have unduly delayed in moving to vacate the judicial settlements. Although there is no

18 Misc.3d 1138(A), 859 N.Y.S.2d 895, 2008 WL 498090 (N.Y.Sup.), 2008 N.Y. Slip Op. 50342(U)
(Table, Text in WESTLAW), Unreported Disposition
(Cite as: 18 Misc.3d 1138(A), 2008 WL 498090 (N.Y.Sup.))

express time limit for making a motion pursuant to CPLR 5015(a)(3), such a motion must be made within a reasonable time (*see Aames Capital Corp. v. Davidsohn*, 24 AD3d 474, 475 [2d Dept 2005]; *Richardson v. Richardson*, 309 A.D.2d 795, 796 [2d Dept 2003]; *City of Albany Indus. Dev. Agency v. Garg*, 250 A.D.2d 991, 993 [3d Dept 1998]; Siegel, Practice Commentaries, McKinney's Cons Laws of NY, Book 7B, CPLR C5015:3, at 206). In making the determination of reasonableness, courts have looked to whether the movant was aware of the relevant facts (*see e.g. Rizzo v. St. Lawrence Univ.*, 24 AD3d 983, 984 [3d Dept 2005] [plaintiff's delay of two years despite awareness of all relevant facts was unreasonable]; *Richardson*, 309 A.D.2d at 796 [wife's delay in moving to vacate judgment was unreasonable where she received summons and complaint in 1989 and did not move to vacate her default until 12 years later]; *Green Point Sav. Bank v. Arnold*, 260 A.D.2d 543, 543-544 [2d Dept 1999] [defendant's delay of four years after he was served with a copy of the judgment with notice of entry was unreasonable]).

Here, as noted above, the judgments that movants and cross movants are seeking to attack are dated February 25, 1953, August 30, 1974, and September 11, 1975. Movants and cross movants moved to vacate these judicial settlements in 2005, 52 years after the first judicial settlement, and 30 and 31 years after the final two judicial settlements. Pedro Arellano Lamar avers that "[i]n or about 2001," he learned that his mother, late sister, brother, and he were beneficiaries and/or remainder beneficiaries of his great-grandmother's 1927 trusts (Arellano Lamar 6/13/05 Aff., ¶ 25). Julieta Cadenas Silva admits that she knew that her grandmother had established a trust with a major banking company in New York, but was not familiar with any of the details (Cadenas Silva Aff., ¶ 8). Justo Lamar Sanchez states that he never knew that Maria, Marcelo, Emilio, Julio, Jorge, and Gabriela had a one-fifth interest in each other's trusts, although they later learned that they had remainder interests in those trusts in the event that the primary beneficiary died (Lamar Sanchez Aff., ¶ 9). However, none of these beneficiaries state when they found out about the judgments themselves. The court concludes that movants and cross movants have failed to file their motions within a reasonable period of time, given the extremely lengthy passage of time in this case. Movants and cross movants have also failed to clearly and persuasively show that they did not recently learn of the trusts and accountings, as would be required when seeking to vacate judgments so ancient.

Even assuming, arguendo, that movants and cross movants had made their motions within a reasonable time, they have not persuaded this court that the Bank procured the judgments by "fraud, misrepresentation, or other misconduct" (*Woodson*, 100 N.Y.2d at 70, citing CPLR 5015[a][3]). Movants contend that the Bank withheld negative information from the settlor and the beneficiaries [FN5], invested trust assets without the settlor's direction or consent, and concealed that it had invested in mortgage participations [FN6] that were not current on their terms. In addition, cross movants contend that the Bank misrepresented precedent concerning the Rule Against Perpetuities to the settlor, the beneficiaries, and the court in the 1974 proceeding concerning Jorge and Marcelo's trusts, and also concealed that it had drafted the trusts.

FN5. Movants and cross movants assert that this is evidenced by a memorandum dated August 3, 1931 from the Bank, which states:

> Mr. Hackney:4353/58-H
>
> I have your memorandum dated June 23, 1931, referring to the de Sanchez accounts. The situation presented therein brings about many difficulties and so we will have to move very cautiously, if at all, in endeavoring to rectify the situation. I have two things in mind:
>
> 1st, that I do not want to destroy Mrs. de Sanchez' confidence in us, and 2nd, that I do not want to embarrass our attorneys. Assistant Secretary (McCallion 1/19/07 Affirm., Exh. I).

FN6. An investment in a participating mortgage occurs when a trustee takes a mortgage in its own name and sells shares of the mortgage to various trusts administered by it (*see* 2A Scott on Trusts x 179.4 [4th ed 1987]).

***9** However, none of these beneficiaries appeared in the accounting proceedings to contest the accounts, and there is no evidence that they were led to believe that they should not contest these accounts. Indeed, the

record shows that, in March 1951, the Bank wrote to Emilio, Jorge and Marcelo telling them that the Bank would formally account and requested the names, addresses, and dates of birth of their children and grandchildren (Lelen Aff., Exh. C). In a letter dated April 11, 1951, Emilio, the oldest son, responded that "if it is too much work I do not see the necessity of all that accounting, unless is [sic] something you have to do by law, but do not do it on account of us" (*id.*, Exh. D). There was also extensive correspondence with the family members to ensure that the Bank had correct addresses for the family members before the 1974 proceedings (*id.*). Thus, it cannot be said that, as a result of this "fraud" and "misconduct," they were deprived of the opportunity to fully and fairly contest the accounts (*see* Altman v. Altman, 150 A.D.2d 304, 307 [1st Dept], *appeal denied* 74 N.Y.2d 612 [1989]).

In any event, in the 1952 proceeding, the Bank filed seven full accountings with respect to each trust, which set forth in detail the opening and closing balances for each trust, each transaction in each trust, and each mortgage participation purchased for the trusts from the Bank (*see e.g.* Crotty 3/5/07 Affirm., Exh. A, at 1-3, Schedules A-K). The guardian ad litem reported that Russell Rutgers of The Hanover Bank informed him that he had on file written consents from the grantor for each individual transaction from September 16, 1927 through March 15, 1951 (Lelen Aff., Exh. A, Report of Guardian ad Litem, at 6). The guardian further stated that he "carefully studied and examined the deed of trust, the summaries, and the individual schedules" for each account, and that "[a]ll sums of money, cash, and securities [had] been accounted for" (*id.* at 11, 18, 26, 34, 43, 50, 58). The guardian concluded that the seven accounts "clearly appear[ed] to [him] as being proper and correct," and had no objections to the accounts as filed (*id.* at 61).

Moreover, with respect to the 1974 proceeding relating to the Jorge and Marcelo trusts, movants and cross movants have failed to establish that the court was in any way misled about who drafted the trusts. The Bank's counsel set forth its position concerning the construction of the two trusts in its brief, which the court accepted.

Finally, cross movants' contentions that the judgments should be set aside, because the Bank disregarded the court's instructions in the 1975 judgment that the funds from Jorge's trust be distributed to his beneficiaries, and also misrepresented the terms of the 1975 judgment in later settlement negotiations, are without merit. These cannot serve as bases to vacate these judgments because these acts occurred after the judgments. Thus, the judgments could not have been procured by that "misconduct" (*see* Nachman, 274 A.D.2d at 315).

CONCLUSION

***10** Based upon the foregoing, it is

ORDERED that the motion by Pedro Arellano Lamar and Adolfo Arellano Lamar to vacate judgments settling accounts dated February 25, 1953 and September 11, 1975 is denied; and it is further

ORDERED that the cross motion by Eugenio J. Silva, Julieta C. Silva, Julieta Cadenas, Felipe G. Silva, Estate of Flora Lamar de Fanjul, Justo Lamar Sanchez, Emilio Jose Lamar, Peter Lamar, Diana Puccetti, Marcelo Lamar, Luis Lamar, Maria Elizabeth Lamar, Ann Maria Lamar de Cesares, Elisa Gloria Lamar, Maria Luisa Suarez Rivas, Beatriz Diego, Flora M. Suarez Fanjul, Jorge B. Fanjul, Julio A. Fanjul, Justo E. Fanjul, and Marcelo E. Fanjul to vacate judgments settling accounts dated February 25, 1953, August 30, 1974, and September 11, 1975 is denied; and it is further

ORDERED that counsel for Pedro Arellano Lamar shall serve a copy of this order with notice of entry upon all parties within 20 days of entry.

This constitutes the decision and order of the Court.

N.Y.Sup.,2008.
In re Judicial Settlement of First Intermediate Accounts of Proceedings of Cent. Hanover Bank and Trust Co.
18 Misc.3d 1138(A), 859 N.Y.S.2d 895, 2008 WL 498090 (N.Y.Sup.), 2008 N.Y. Slip Op. 50342(U)

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57 A.D.3d 452, 870 N.Y.S.2d 24, 2008 N.Y. Slip Op. 10224
(Cite as: 57 A.D.3d 452, 870 N.Y.S.2d 24)

H

Supreme Court, Appellate Division, First Department, New York.
In re Elizabeth L. DE SANCHEZ, Grantor.
Pedro Arellano Lamar, et al., Movants-Appellants,
Eugenio J. Silva, et al., Cross-Movants Appellants,
v.
JP Morgan Chase Bank, Respondent-Respondent.

Dec. 30, 2008.

Background: Trust grantor's descendants brought action seeking to vacate judgment settling trust accounts on grounds that bank engaged in constructive fraud and that bank never obtained personal jurisdiction over descendants. The Supreme Court, New York County, Carol R. Edmead, J., denied descendants motion to vacate, and descendants appealed.

Holding: The Supreme Court, Appellate Division, held that bank was not required to serve process on descendants.

Affirmed.

West Headnotes

[1] Trusts 390 303

390 Trusts
390VI Accounting and Compensation of Trustee
390k302 Proceedings for Final Settlement
390k303 k. By trustee. Most Cited Cases

Bank was not required to serve process in trust accounting on trust grantor's descendants, where descendants were successor income and contingent remainder beneficiaries and had no present interest in trust income. McKinney's CPLR 7703; McKinney's SCPA 315.

[2] Process 313 149

313 Process
313II Service
313II(E) Return and Proof of Service
313k144 Evidence as to Service
313k149 k. Weight and sufficiency. Most Cited Cases

The affidavit of a process server constitutes prima facie evidence of proper service.

[3] Process 313 145

313 Process
313II Service
313II(E) Return and Proof of Service
313k144 Evidence as to Service
313k145 k. Presumptions and burden of proof. Most Cited Cases

The mere denial of receipt of service is insufficient to rebut the presumption of proper service created by a properly executed affidavit of service.

[4] Trusts 390 328

390 Trusts
390VI Accounting and Compensation of Trustee
390k328 k. Opening or vacating. Most Cited Cases

Trust grantor's descendant's contention that grantor's estate was a necessary party to accounting of trusts which occurred more than 50 years before descendant's action seeking to vacate accounting judgment did not require judgment to be set aside as to descendants; petitions and orders to show cause adequately apprised interested persons of nature of the proceedings, and stated that the bank sought accountings for the trusts and to be relieved of any liability for its acts concerning those trusts for the periods of the accounts.

[5] Trusts 390 217.1

390 Trusts
390IV Management and Disposal of Trust Property
390k216 Investments

57 A.D.3d 452, 870 N.Y.S.2d 24, 2008 N.Y. Slip Op. 10224
(Cite as: 57 A.D.3d 452, 870 N.Y.S.2d 24)

390k217.1 k. In general. Most Cited Cases

The rule in respect of the duty of a trustee is to keep funds in a state of security, productive of interest and subject to future recall.

[6] Trusts 390 ⚿331

390 Trusts
390VI Accounting and Compensation of Trustee
390k331 k. Operation and effect of accounting. Most Cited Cases

Where there has been full disclosure followed by judicial decree, post-decree objections on matters raised by trust accounting cannot suffice to open the decree.

[7] Perpetuities 298 ⚿4(15.1)

298 Perpetuities
298k4 Creation of Future Estates in General
298k4(15) Trust Estates
298k4(15.1) k. In general. Most Cited Cases

When there is an alternative possible construction that would not violate the Rule Against Perpetuities, a trust will not be invalidated and a construction that does not violate the Rule will be found to be the one the grantor intended. McKinney's EPTL 9-1.3(b).

****25** Dorsey & Whitney LLP, New York (Mark S. Sullivan of counsel), for movant-appellants.

McCallion & Associates LLP, New York (Kenneth F. McCallion of counsel), for cross-movants appellants.

Kelley Drye & Warren LLP, New York (Robert E. Crotty of counsel), for respondent.

TOM, J.P., FRIEDMAN, GONZALEZ, McGUIRE, ACOSTA, JJ.

***453** Order, Supreme Court, New York County (Carol R. Edmead, J.), entered January 7, 2008, which denied the motion and cross motion by descendants of the grantor of certain 1927 trusts to vacate judicial orders of settlement entered on February 26, 1953, August 30, 1974, and September 11, 1975, unanimously affirmed, with costs.

****26** In 1927, two years before the Great Depression, Elizabeth Laurent de Sanchez, whose family owned a sugar plantation in Cuba, set up seven inter vivos trusts for the benefit of her six children-Emilio (two trusts in his name), Jorge, Julio, Marcelo, Maria and Gabriela. In 1953, following the grantor's death, the first intermediate accounts for these trusts were settled and approved by Supreme Court, New York County, for Hanover Bank, as successor in interest to Central Union Trust Company and predecessor in interest to JP Morgan Chase Bank. In 1974, the court settled the bank's second intermediate accounts for the Emilio trusts, and in 1975, the court approved the bank's second and final accounts for the Jorge and Marcelo trusts. A half-century after the first accountings and more than 30 years after the second accountings, appellants-the grantor's grandchildren, great grandchildren and great great grandchildren-seek to vacate the judgments settling these accounts on the grounds that the bank engaged in constructive fraud against them, and the court never obtained personal jurisdiction over them.

Contrary to appellants' contentions, the motion court did not improperly raise the issue of timeliness sua sponte; the bank actually argued in its 2005 memorandum of law that the motions were untimely. Although the applicable standard of review is disputed, under either standard-CPLR 317 or 5015-the motions were untimely. Even had the motions been timely, the arguments asserted on appeal-lack of personal jurisdiction and "overwhelming evidence" of constructive fraud-would be without merit.

[1][2][3] ***454** With respect to personal jurisdiction, it is well established that the affidavit of a process server constitutes prima facie evidence of proper service. The mere denial of receipt of service "is insufficient to rebut the presumption of proper service created by a properly executed affidavit of service" (*De La Barrera v. Handler*, 290 A.D.2d 476, 477, 736 N.Y.S.2d 249 [2002]). Appellants' affidavits contained simply conclusory denials, and were thus insufficient to rebut the presumption of proper service (*see e.g. Ortiz v. Santiago*, 303 A.D.2d 1, 3-4, 757 N.Y.S.2d 521 [2003]). In any event, appellants' interests were "virtually represented" by the grantor's eldest living survivor in each line of descent (*see* CPLR 7703; SCPA 315). Her descendants, including

the movants and cross movants herein, are successor income and contingent remainder beneficiaries. Neither the grantor nor any of appellants had present interests in income. Therefore, there was no need to serve the movants and cross movants with process in the accounting, since the grantor's interest was aligned with that of her progeny (*see* Matter of Schwartz, 71 Misc.2d 80, 335 N.Y.S.2d 243 [1972]).

[4] The remaining arguments with respect to personal jurisdiction are without merit. Cross movants' contention that the grantor's estate was a necessary party in the 1952 proceeding, so many years after the judgment, does not require that it be set aside as to them (*see* Herskowitz v. Friedlander, 224 A.D.2d 305, 306, 637 N.Y.S.2d 726 [1996]). The petitions and orders to show cause adequately apprised the interested persons of the nature of the proceedings, and stated that the bank sought accountings for the trusts and to be relieved of any liability for its acts concerning those trusts for the periods of the accounts.

[5] A judgment or order may be vacated for "fraud, misrepresentation, or other misconduct of an adverse party" (CPLR 5015[a][3]). After the trusts were created in 1927, the goal of the investment fiduciary throughout the Great Depression and ****27** long thereafter was to preserve the principal while creating a reasonable income (*see* Matter of Carnell, 260 App.Div. 287, 289, 21 N.Y.S.2d 376 [1940], *affd.* 284 N.Y. 624, 29 N.E.2d 935 [1940]). "The rule in respect of the duty of a trustee is to keep funds in a state of security, productive of interest and subject to future recall" (*Matter of Flint*, 240 App.Div. 217, 226, 269 N.Y.S. 470 [1934], *affd.* 266 N.Y. 607, 195 N.E. 221 [1935]). The trust investments were not for growth of assets for the grantor's grandchildren and great grandchildren, but rather in accordance with her express direction that they be in securities that were "long term" and "tax exempt." Furthermore, extensive correspondence confirms that she and her family were kept apprised of the investments, and Emilio Sanchez confirmed that "all the changes during all the years have been done with my approval and that of Mrs. Elizabeth Laurent de Sanchez."

[6] ***455** With respect to mortgage participation, where there has been full disclosure followed by judicial decree, post-decree objections on matters raised by the accounting cannot suffice to open the decree (*see* Matter of Van Deusen, 24 Misc.2d 611, 616-617, 196 N.Y.S.2d 737 [1960]). The record shows that the bank communicated extensively with the beneficiaries as to mortgage participation and did not conceal anything. In addition, there was no self-dealing, as the bank merely purchased the mortgage for the trust.

[7] Finally, the bank did not misrepresent precedent concerning the Rule Against Perpetuities to the grantor, the beneficiaries, and the court in the 1974 proceeding concerning Jorge's and Marcelo's trusts, as there is a longstanding principle of interpretation that when there is an alternative possible construction that would not violate the Rule, the trust will not be invalidated and a construction that does not violate the Rule will be found to be the one the grantor intended (EPTL 9-1.3[b]; *see* Schettler v. Smith, 41 N.Y. 328, 336 [1869]). In this case, the problem arose because some of the grantor's children did not have issue of their own. It is unreasonable to argue that the grantor intended the trusts to be invalidated; in fact, the construction provided by the bank's counsel was clearly communicated to counsel for all parties, and no objections were raised.

We have considered appellants' remaining arguments and find them unavailing.

N.Y.A.D. 1 Dept.,2008.
In re de Sanchez
57 A.D.3d 452, 870 N.Y.S.2d 24, 2008 N.Y. Slip Op. 10224

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TAB 6

2 of 100 DOCUMENTS

New York Law Journal
New York Law Journal

October 5, 1993 Tuesday

SECTION: Pg. 26 (col. 6) Vol. 210

LENGTH: 577 words

HEADLINE: ESTATE OF WALTER L. TANENBLATT, DEC'D;
Court Decisions;
Second Judicial Department;
Nassau County;
Surrogate's Court

BYLINE: Surrogate Radigan

BODY:

Court Decisions

Second Judicial Department

Nassau County

Surrogate's Court

This is a proceeding for advice and direction (SCPA 2107) commenced by the preliminary executrix seeking the court's order authorizing and approving the entry by the preliminary executrix into a written stipulation of settlement dated May 12, 1993 for the discontinuance of certain pending litigations.

The decedent and his father, Israel Tanenblatt, were the owners of Tudor Handle Corp. and Tudor Plastics, Inc. Following the death of Israel, litigation ensued between Walter and the estate of Israel, Walter claiming 100 percent ownership of both corporations and the estate of Israel asserting ownership of 50 or 52 percent of the corporations. The litigation was hotly contested and very substantial counsel fees were incurred in its pursuit.

It has been alleged and unrebutted that Walter's estate is either insolvent or on the verge of insolvency. In the corporate litigation, the corporations have counter-claimed against Walter and the estate for mismanagement and waste of corporate assets seeking reimbursement to the corporations of an amount in excess of $200,000. The parties to the corporate litigation entered into the aforementioned stipulation of settlement before the Supreme Court, Queens County, which provides, in essence, that the estate of Walter will relinquish any claim to the shares of either Tudor Handle Corp. or Tudor Plastics, Inc. and will also pay over to Tudor Handle Corp. the sum of $44,600 in consideration of which both corporations agree to withdraw with prejudice their actions against the estate of Walter aforesaid. This stipulation also provides that it shall only become effective upon approval of its terms by this court.

Counsel for the estate has represented that all known creditors of the estate have been made parties to this proceeding. All have defaulted except the law firm of Ruskin, Moscou, Evans & Faltischek, who have a claim against the estate of Walter and/or the corporations in the amount of $116,000. The Ruskin firm duly appeared and interposed its objection to the petition.

Several conferences having been held before the court since that time, the estate of Walter, the corporations and the Ruskin firm have entered into another stipulation spread on the record in open court on September 23, 1993 whereby, among other things, the Ruskin firm withdraws its objection to the petition in exchange for the estate's acceptance of the Ruskin firm as a general creditor of the estate in the amount of $20,000. A guardian ad litem appointed to protect the interests of infant contingent remaindermen interposes no objection to the relief sought in the petition or the terms of the stipulation dated September 23, 1993.

Having given careful consideration to the terms of the stipulation, the financial condition of the estate and the interests of the beneficiaries and the other creditors, the court determines that-the relief sought in the petition and the terms of the September 23, 1993 stipulation and the stipulation dated September 1, 1993 in Supreme Court, Queens County, before Honorable John A. Milano, are in the best interests of the estate and, because of the reduction of the Ruskin firm's claim from $116,000 $0 $20,000, is also in the best interests of the creditors of the estate, the court grants the petition subject to the terms of the aforementioned stipulations.

This decision constitutes the order of the court.

LOAD-DATE: April 15, 2011

TAB 7

1 of 1 DOCUMENT

MICHAEL D. and SHARRON MAYO, individually and on behalf of all those similarly situated, Plaintiffs, v. GMAC MORTGAGE, LLC, USB REAL ESTATE SECURITIES, INC., DEUTSCHE BANK NATIONAL TRUST COMPANY (in its capacity as trustee of the MASTR SPECIALIZED LOAN TRUST 2007-01), and RESIDENTIAL FUNDING COMPANY, LLC, Defendants.

No. 08-00568-CV-W-DGK

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF MISSOURI, WESTERN DIVISION

2011 U.S. Dist. LEXIS 3349

January 13, 2011, Decided
January 13, 2011, Filed

SUBSEQUENT HISTORY: Reconsideration denied by *Mayo v. GMAC Mortg., LLC, 2011 U.S. Dist. LEXIS 13066 (W.D. Mo., Feb. 9, 2011)*

PRIOR HISTORY: *Michael D. v. GMAC Mortg., LLC, 2010 U.S. Dist. LEXIS 51517 (W.D. Mo., Mar. 1, 2010)*

COUNSEL: [*1] For Michael D Mayo, Sharron Mayo, Plaintiffs: David M. Skeens, Garrett Mark Hodes, J. Michael Vaughan, Kip D. Richards, R. Frederick Walters, LEAD ATTORNEYS, Walters Bender Strohbehn & Vaughan P.C., Kansas City, MO.

For GMAC Mortgage LLC, Residential Funding Company, LLC, Defendants: Catesby Ann Major, Irvin Victor Belzer, LEAD ATTORNEY, Bryan Cave, LLP-KCMO, Kansas City, MO; Craig S. O'Dear, Irvin Victor Belzer, LEAD ATTORNEYS, Bryan Cave LLP, Kansas City, MO; Leslie A. Greathouse, LEAD ATTORNEY, Spencer Fane Britt & Browne LLP-KCMO, Kansas City, MO.

For USB Real Estate Securities, Inc., Defendant: Daniel L. McClain, LEAD ATTORNEY, Scharnhorst, Ast & Kennard, PC, Kansas City, MO; Leslie A. Greathouse, LEAD ATTORNEY, Spencer Fane Britt & Browne LLP-KCMO, Kansas City, MO; David C. Bohan, David J. Stagman, Sheldon T. Zenner, Katten Muchin Roseman, LLP, Chicago, IL.

For Mortgage Asset Securitization Transactions, Inc., Defendant: Daniel L. McClain, LEAD ATTORNEY, Scharnhorst, Ast & Kennard, PC, Kansas City, MO; Leslie A. Greathouse, LEAD ATTORNEY, Spencer Fane Britt & Browne LLP-KCMO, Kansas City, MO.

For Mastr Specialized Loan Trust 2007-01, Deutsche Bank National Trust Company, Defendants: [*2] Leslie A. Greathouse, LEAD ATTORNEY, Spencer Fane Britt & Browne LLP-KCMO, Kansas City, MO; Elizabeth A Frohlich, Jami Wintz McKeon, Morgan Lewis & Bockius LLP, San Francisco, CA; J. Loyd Gattis, III, Spencer Fane Britt & Browne LLP-KCMO, Kansas City, MO.

JUDGES: GREG KAYS, JUDGE.

OPINION BY: GREG KAYS

OPINION

SUMMARY JUDGMENT ORDER

This case is a putative class action brought under the Missouri Second Mortgage Loan Act ("MSMLA"). Plaintiffs Michael and Sharron Mayo allege they were charged illegal fees at closing in connection with their residential second mortgage loan, and they are suing the various companies who subsequently acquired or serviced their loan.

Before the Court are the Defendants' various motions for summary judgment. [1] The motions are

GRANTED IN PART. The Court holds (1) Mrs. Mayo was not a party to the Loan thus she does not have standing to sue Defendants; (2) the funding fee and underwriting fee charged at closing both violate the MSMLA, but the other fees charged do not; (3) the loan servicers did not violate the MSMLA, but Assignee Defendants indirectly violated it by virtue of the fact that illegal fees were rolled into the principal of the Loan at closing, and Assignee Defendants subsequently [*3] received these fees in monthly payments; (4) Mr. Mayo may sue for interest previously paid to the Assignee Defendants; and (5) Defendants are not entitled to summary judgment on the issue of punitive damages.

> 1 Motion for Summary Judgment by Deutsche Bank National Trust Company in its capacity as Trustee for the MASTR Specialized Loan Trust 2007-01 (doc. 173); Motion for Summary Judgment by GMAC Mortgage, LLC and Residential Funding Company, LLC (doc. 174); and Motion for Summary Judgment of UBS Real Estate Securities, Inc. (doc. 177).

All claims against Defendants GMAC Mortgage, LLC and Residential Funding Company, LLC are dismissed with prejudice.

Summary Judgment Standard

A moving party is entitled to summary judgment Aif the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." *Fed. R. Civ. P. 56(c)*. A party who moves for summary judgment bears the burden of showing that there is no genuine issue of material fact. *Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 256, 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986)*. When considering a motion [*4] for summary judgment, a court must scrutinize the evidence in the light most favorable to the nonmoving party, and the nonmoving party "must be given the benefit of all reasonable inferences." *Mirax Chem. Prods. Corp. v. First Interstate Commercial Corp., 950 F.2d 566, 569 (8th Cir. 1991)* (citation omitted).

To establish a genuine issue of fact sufficient to warrant trial, the nonmoving party "must do more than simply show that there is some metaphysical doubt as to the material facts." *Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp., 475 U.S. 574, 586, 106 S. Ct. 1348, 89 L. Ed. 2d 538 (1986)*. Instead, the nonmoving party must set forth specific facts showing there is a genuine issue for trial. *Anderson, 477 U.S. at 248*. But the nonmoving party "cannot create sham issues of fact in an effort to defeat summary judgment." *RSBI Aerospace, Inc. v. Affiliated FM Ins. Co., 49 F.3d 399, 402 (8th Cir. 1995)* (citation omitted).

Facts

Viewing the evidence in the light most favorable to the Plaintiffs, for purposes of resolving the pending motion the Court finds the facts to be as follows. Argument, controverted facts, facts immaterial to the resolution of the pending motion, facts not properly supported by the cited portion [*5] of the record, and contested legal conclusions have been omitted.

Plaintiffs Michael and Sharron Mayo are a husband and wife who reside at a house in Grandview, Missouri. They bought their home on October 28, 2005 for $130,000.00. To finance the purchase Mr. Mayo applied for a loan with Wells Fargo Bank, N.A. The Mayos thought that there would simply be one loan from Wells Fargo, but when they arrived at the closing on October 28, 2005, they were told Wells Fargo was not lending the entire purchase price. Wells Fargo would lend $104,000 (80% of the loan), and Option One Mortgage Corporation would lend the remaining $25,800 (20% of the loan).

Mr. Mayo signed two separate loan applications, both dated October 28, 2005. For each loan there was a separate loan underwriting and approval process; separate verification of income and employment; separate wire transfers; separate loan submissions; separate instructions to the closing agent; separate credit checks; and separate title insurance policies. Mr. Mayo also gave Wells Fargo formal notice as the first lien holder that he had given Option One a junior mortgage in the property.

The Wells Fargo loan had an adjustable rate note. The deed of [*6] trust for this loan identifies both Mr. and Mrs. Mayo as the "Borrower." Mr. and Mrs. Mayo each signed the deed of trust, but Mrs. Mayo is identified as a "Non-Borrower" on the page bearing the notary's signature. Included with the deed of trust was an "Adjustable Rate Rider" and a "Prepayment Rider," each of which is signed by Mr. and Mrs. Mayo.

The Loan at issue in this case.

The second mortgage loan made by Option One ("the Option One loan" or "the Loan"), is at the center of this lawsuit. The Loan was secured by a subordinate lien deed of trust. The Loan was to be repaid with interest at yearly rate of 11.65% in consecutive monthly installments over 30 years. The promissory note identifies Option One as the lender. The promissory note and addendum are signed by Mr. Mayo only. The HUD-1 Settlement Statement is signed by both Mr. and Mrs. Mayo.

Both Mr. and Mrs. Mayo executed a Deed of Trust for the benefit of Option One. The Deed of Trust identifies "Michael and Sharron Mayo, husband and wife as joint tenants" as the "Grantor," and is signed by both. The Deed of Trust granted Option One a security lien in residential real estate which real estate was subject to one or more prior mortgage [*7] loans, namely, the Wells Fargo loan. The Deed of Trust contains the following notation at the bottom left-hand corner of the first page: "Missouri -- Second Mortgage."

Both loans closed concurrently on October 28, 2005. The Deed of Trust for the Loan was filed with the Jackson County Recorder of Deeds' Office on November 10, 2005.

The challenged settlement charges.

Capital Title Agency, Inc. provided title and closing services for the Loan. At closing Mr. and Mrs. Mayo signed a HUD-1 Settlement Statement supplied by Option One which identified "Option One Mortgage Corp." as the lender. The statement set out the following fees which Plaintiffs allege violate the Missouri Second Mortgage Loan Act:

Tax Service Contract fee to	$65.00
Fidelity National Tax Service	
Funding Fee to Option One	$50.00
Underwriting Fee to Option One	$395.00
Flood Search fee to First	
American Flood Data Services	$12.00
Interest to Option One	$33.40
Settlement or Closing Fee to	
Capital Title Agency, Inc.	$100.00
Courier/Delivery Fee to Capital	
Title Agency, Inc.	$25.00
Wire Fee to Capital Title	
Agency, Inc.	$20.00

These fees total $1,015.40 and were paid at closing by rolling the amounts owed into the Loan principal.

None of the Defendants [*8] *directly* contracted for, charged, or received any of these fees in connection with the making or closing of the Loan. None of the Defendants are, or ever have been, related to, controlled by, or affiliated by common ownership with Capital Title Agency, Inc., Fidelity National Tax Service, or First American Flood Data Services.

The "Funding Fee" and "Underwriting Fee" were paid to Option One.

Capital Title coordinated and performed all tasks associated with closing the Loan. Specifically, Capital Title compiled from various sources the loan documents needed for the closing, including the deed of trust and note. Capital Title also copied and transmitted documents to Option One and the Plaintiffs in connection with the Loan after the closing. It also filed the mortgage with the Jackson County Recorder of Deeds. Capital Title charged three fees for the services that it provided: It charged a $100 "settlement or closing fee" to conduct a title examination, issue title insurance, and prepare the settlement statement and other documents related to the Loan; [2] it charged a $25 "courier/delivery fee" for collecting and sending documents necessary to conduct the title examination, prepare the [*9] title commitment, and record documents relating to the Loan; [3] and it charged a $20 "wire fee" for the cost of electronically disbursing the Loan proceeds. [4]

2 Specifically, Capital Title gathered information about the property in order to determine whether title to the property was marketable. Capital Title also prepared a preliminary title commitment which it sent to Option One. After the conditions identified in the preliminary commitment were met, Capital Title ensured that the conditions imposed by the lender were also satisfied. Then, Capital Title completed the settlement statement and other documents related to the loan and prepared the disbursements to be made from the loan proceeds. Capital Title also assembled documents prepared by Option One and other service providers. Once the documents were ready, Capital Title scheduled the closing of the loan, met with the Mayos, and obtained signa-

tures on the loan documents. Capital Title remitted copies of those documents to Option One immediately after the closing, so that the loan could be approved on the next day. Option One also made copies of those documents for the Mayos. Capital Title ensured that the holder of the first mortgage [*10] was notified of the second mortgage. Capital Title then updated its investigation of the encumbrances on the Mayos' property. Finally, Capital Title submitted the documents for the Loan to be recorded. This process, from the title examination to the recording of the new documents, required several hours to complete.

3 Capital Title sent a courier to the Jackson County, Missouri courthouse to gather documents necessary to conduct the initial title examination. A second trip to the courthouse was made to verify that the initial title examination was still valid after the Loan closed. Capital Title also sent the preliminary title commitment to Option One by Federal Express. Finally, a courier took documents relating to the Loan to the courthouse to be recorded.

4 Capital Title preferred to send payments by wire because it was a fast, reliable method. Option One wired the Loan proceeds to Capital Title, which deducted the fees described above, plus fees for title insurance and recording, and remitted the remaining proceeds by wire. Each time Capital Title received or sent a wire its bank charged it between $7.50 and $20.

Option One paid out two of the other challenged fees to third-parties. [*11] It paid the $65.00 tax service contract fee to Fidelity National Tax Service for conducting a search to confirm payment of property taxes on the Plaintiffs' property. It also paid the $12.00 flood search fee to First American Flood Data Services for determining whether the house is located in a flood hazard area. Option One was not affiliated with either Fidelity National Tax Service or First American Flood Data Services.

A $33.40 pre-paid interest charge was imposed. Under the note, Mr. Mayo was required to make monthly payments to Option One of principal and interest, to be made on the 1st day of each month, with the first monthly payment for the month of November 2005 due on December 1, 2005. The note is dated October 28, 2005, and interest began accruing on that date. The $33.40 interest payment was payment on interest that accrued for the four days, from October 28, 2005 through October 31, 2005, until the first day of the month of the first regularly-scheduled payment.

The Loan, post settlement.

Option One held the Loan and acted as the servicer until about November 20, 2006. As loan servicer, Option One sent monthly statements and collected from the Plaintiffs remittances of principal [*12] and interest in connection with the Loan. Option One collected a minimum of $2,749.95 in interest payments during this time.

UBS subsequently purchased the Loan.

Defendant UBS Real Estate Securities, Inc. ("UBS") acquired the Loan and other loans from Option One pursuant to the terms of a Master Asset Purchase and Servicing Agreement dated August 1, 2004. On or about September 15, 2006, Option One sold a pool of 135 loans with a total principal balance of approximately $22.7 million to UBS for approximately $21.6 million. The Loan was included in this pool.

UBS contends it subjected these loans to a thorough due diligence process to determine their legality. There are numerous disputed questions of fact here about this process, including the mechanics of this process, its adequacy, and whether it was undertaken in good faith. The Court finds that viewing the evidence in the light most favorable to the Plaintiffs, there is evidence from which a reasonable juror could infer that UBS and any subsequent purchaser that relied on UBS's due diligence were completely indifferent to any violations of the MSMLA in purchasing the Loan.

GMACM serviced the Loan from the time it was owned by UBS.

In [*13] 2004, before UBS purchased the Loan, UBS and GMAC Mortgage Corporation ("GMAC Mortgage") entered into a servicing agreement whereby GMAC Mortgage agreed to service loans owned and acquired by UBS. GMAC Mortgage was the predecessor of Defendant GMACM, LLC ("GMACM"). GMACM was formed on April 13, 2006.

Pursuant to the terms of the servicing agreement, GMAC Mortgage and its successor GMACM serviced certain mortgage loans on behalf of UBS. The agreement confirmed that UBS was the "Owner" of the serviced loans and that GMAC Mortgage and its successor GMACM were merely the "Servicer." The agreement further provided that GMAC Mortgage and GMACM, as Servicer, "acknowledge[] that ownership of each Mortgage Loan, inclusive of the servicing rights thereto, is vested in the Owner." [*14] The parties agree that after UBS purchased the loan from Option One, the responsibility for performing the servicing of the loan was transferred to GMACM pursuant to the agreement. Under the agreement responsibility for servicing the loan did not confer on GMACM any rights to the loan, only the right

to be paid a fee in exchange for performing activities related to servicing mortgage loans on behalf of UBS, the owner.

In connection with the transfer of loan servicing from Option One to GMACM, GMACM was provided with copies of certain documents from Option One, including the Note and Deed of Trust purchased by UBS. The original loan documents for the loan, such as the Note, Deed of Trust and any assignment, were held by the Custodian, Wells Fargo Bank, N.A. GMACM also received from Option One a copy of an "assignment in blank" (a blank assignment of the Deed of Trust), which Option One dated November 4, 2005. It is a standard practice in the residential mortgage loan servicing industry for the loan originator to provide the loan servicer with an "assignment in blank" so that the servicer can perform its servicing responsibilities, including assigning the loan to another servicer if needed [*15] or releasing the deed of trust once the loan is paid off.

GMACM serviced the Loan from the time UBS purchased it, approximately November 20, 2006, until the Loan was paid off and a Full Deed of Release of the Deed of Trust was recorded on or about April 8, 2008.

The core function of GMACM as the servicer was to collect from the borrower payments due on the loan, including interest. In collecting these payments pursuant to the Servicing Agreement, GMACM acted in a custodial capacity only and maintained a custodial account separate from its own assets and funds. [5] GMACM collected loan payments which included interest on the Loan only in its capacity as the Loan servicer. As part of its administrative responsibilities it also sent Mr. Mayo IRS form 1098 Mortgage Interest Statements forms for tax years 2006, 2007, and 2008 identifying "GMAC Mortgage" as the "Recipient/Lender."

5 Pursuant to the terms of the Servicing Agreement, GMACM primarily performed the following activities related to the servicing of mortgage loans such as the loan at issue here:

> a) maintaining a servicing file, "in a custodial capacity only," of documents necessary to service each mortgage loan;
>
> b) delivering monthly statements [*16] or invoices to borrowers;
>
> c) collecting all payments due under each mortgage loan;
>
> d) segregating and holding all payments in "custodial accounts" apart from its own funds and general assets to be invested for the benefit of UBS;
>
> e) remitting to UBS all amounts in the custodial account and any monthly payments collected;
>
> f) segregating and holding all escrow funds in "escrow accounts" apart from its own funds and general assets for the payment of property taxes and insurance by borrowers;
>
> g) furnishing reports to UBS as required by the Servicing Agreement;
>
> h) ensuring timely payment of rents, taxes, assessments, water rates, insurance payments and other charges on each mortgage loan;
>
> i) ensuring maintenance of insurance;
>
> j) responding to borrower inquiries;
>
> k) counseling and working with delinquent borrowers; and
>
> l) supervising foreclosure and property dispositions.

UBS subsequently sold the Loan to Mortgage Assets Securitization Transactions, Inc.

In March 2007, UBS sold all its rights to the Loan to Mortgage Asset Securitization Transactions, Inc. Plaintiffs contend that Mortgage Asset Securitization Transactions, Inc. is merely a nominal owner.

Mortgage Asset Securitization Transactions, Inc., [*17] deposited the mortgage loans into a Trust designated as "MASTR Specialized Loan Trust 2007-01." The MASTR Trust was established as an express trust under the laws of New York pursuant to Section 2.08 of the Pooling and Servicing Agreement ("PSA") dated as of March 1, 2007. The Trustee of the MASTR Trust is Defendant Deutsche Bank National Trust Company ("DBNTC"). **RFC then became the master servicer.**

Pursuant to the terms of the PSA and the related March 1, 2007 Assignment, Assumption and Recognition Agreement ("AARA"), Defendant Residential Funding Company, LLC ("RFC") acted as the Master Servicer/Trust Administrator for the pool of mortgage loans transferred to theMASTR Trust, including the Loan. As Master Servicer/Trust Administrator for the MASTR Trust, RFC primarily performed monitoring and reporting activities regarding the Trust's mortgage loans.

[6] RFC acted on behalf of the MASTR Trust in performing these activities and reported to DBNTC, the Trustee, regarding its master servicing obligations.

> 6 These monitoring and reporting activities included: a) receiving, reviewing and evaluating reports of remittances prepared by the servicer, GMACM, related to the mortgage loans; b) reconciling [*18] the results of its monitoring of GMACM's activities and, if necessary, coordinating corrective adjustments to the records; c) providing information to prepare periodic distribution reports for the holders of the certificates issued by the MASTR Trust and the rating agencies; and d) reconciling the result of its monitoring of collections on the mortgage loans with actual remittances of the servicer to the custodial account under the Servicing Agreement.

RFC provides independent reporting, monitoring and cash flow reconciliation services for the benefit of the MASTR Trust and its certificate holders. In its capacity as trust administrator, RFC is responsible for preparing and delivering to DBNTC, the Trustee, a statement for the certificate investors and rating agencies setting forth details as to the distributions of collections to be made on each monthly distribution date, including amounts and order of priority of such distributions.

RFC did not directly collect or receive payments of principal or interest on the mortgage loans in the Trust. The payments of principal and interest were collected and received by the servicer, who then remitted these payments to RFC. Once RFC received [*19] the payments from the servicer, RFC placed the payments in a custodial account in the name of the DBNTC, the Trustee, for the benefit of the shareholders of the Trust (the "Custodial Account."). RFC then disbursed these funds to DBNTC, the Trustee.

The AARA did not confer on RFC any rights to the mortgage loans; rather, RFC contracted for and received only the right to be paid a fee to perform monitoring and reporting activities. RFC's fee for its work was paid out of interest earned on the Custodial Account. RFC did not directly charge, contract for, or receive any of the challenged fees allegedly charged, contracted for, or received prior to or at the closing of the Loan, nor did it have contact with Mr. or Mrs. Mayo with respect to the Loan. RFC never acquired by purchase, assignment, or any other means, any ownership interest in the Loan.

Neither GMACM nor RFC brokered or securitized the Loan. Neither GMACM nor RFC is or has been related to, controlled by, or affiliated with UBS, DBNTC or the MASTR Trust.

GMACM continued to service the Loan until it was paid off in March 2008.

The AARA designated GMACM as the loan servicer for the pool of mortgage loans transferred to the MASTR Trust, [*20] which included the Loan. GMACM's Servicing Agreement with UBS became subject to the terms of the AARA. The AARA did not purport to confer any rights to the mortgage loans on GMACM. With the exception of a few modifications pursuant to the AARA, there was no change in the activities performed by GMACM in servicing the mortgage loans transferred to the MASTR Trust. GMACM continued to collect mortgage payments from the borrowers. As noted earlier, GMACM serviced the Loan from approximately November 20, 2006, until the Loan was paid off on March 27, 2008.

The same day the loan was paid off GMACM sent a "Request for Release of Documents -- Paid Off Loan" to Wells Fargo. In April 2008 GMACM stamped its name -- "GMAC Mortgage LLC" -- on the pre-dated blank assignment dated by Option One. GMACM did this in its designated role as the servicer and as a matter of administrative convenience to enable GMACM to promptly release the lien securing the discharged Loan. The assignment, although dated November 4, 2005, was not recorded with the Jackson County Recorder of Deeds Office until April 14, 2008. GMACM was identified as an assignee only of Mr. Mayo's Deed of Trust, not the Loan. Contemporaneous [*21] with the recording of this assignment, a Full Deed of Release of the Deed of Trust was recorded. It is dated April 8, 2008, and identifies the Grantor as "GMAC Mortgage, LLC."

At no time did GMACM ever acquire, by purchase, assignment, or any other means, any ownership interest in the Loan. When Mr. Mayo requested the identity of the owner of his loan pursuant to *15 U.S.C. § 1641(f)(2)*, GMACM identified the owner of the loan as UBS and/or the MASTR Trust.

Discussion

The sole count of the First Amended Complaint (doc. 32) alleges that each of the Defendants violated *§ 408.233.1* of the Missouri Second Mortgage Loan Act ("MSMLA") with respect to Plaintiffs' loans by "directly or indirectly charging, contracting for, and/or receiving" settlement charges not allowed, or in excess of what were allowed, under the MSMLA, or by receiving interest on loans which violated the MSMLA.

I. The MSMLA.

The MSMLA is a "fairly comprehensive" consumer protection measure, enacted to protect Missouri homeowners by regulating "the business of making

high-interest second mortgage loans on residential real estate." *U.S. Life Title Ins. Co. v. Brents, 676 S.W.2d 839, 841 (Mo. App. 1984)*. The statute regulates the [*22] rates and terms of second mortgage loans, including the fees that may be charged, and "creates a private right of action for a person 'who suffers any loss of money or property as a result of' a violation of the Act." *Washington v. Countrywide Home Loans, Inc., No. 08-00459-CV-W-FJG, 2010 U.S. Dist. LEXIS 2623, 2010 WL 199881, at *2 (W.D. Mo. Jan. 13, 2010)* (Gaitan, J.) (quoting *Mo. Rev. Stat. § 408.562.*).

The MSMLA defines a "second mortgage loan" as

> a loan secured in whole or in part by a lien upon any interest in residential real estate created by a security instrument, including a mortgage, trust deed, or other similar instrument or document, which provides for interest to be calculated at the rate allowed by the provisions of *section 408.232*, which residential real estate is subject to one or more prior mortgage loans.

Mo. Rev. Stat. § 408.231.1 (2006). In relevant part it provides that,

> 1. No charge other than that permitted by *section 408.232* shall be *directly or indirectly charged, contracted for or received* in connection with any *second mortgage loan*, except as provided in this section:
>
> (1) Fees and charges prescribed by law actually and necessarily paid to public officials for perfecting, releasing, or satisfying [*23] a security interest related to the second mortgage loan;
>
> (2) Taxes;
>
> (3) *Bona fide closing costs paid to third parties, which shall include*:
>
> (a) Fees or premiums for title examination, title insurance, or similar purposes including survey;
>
> (b) Fees for preparation of a deed, settlement statement, or other documents;
>
> (c) Fees for notarizing deeds and other documents;
>
> (d) Appraisal fees; and
>
> (e) Fees for credit reports;
>
> (4) Charges for insurance as described in subsection 2 of this section;
>
> (5) A nonrefundable origination fee not to exceed five percent of the principal which may be used by the lender to reduce the rate on a second mortgage loan;
>
> (6) Any amounts paid to the lender by any person, corporation or entity, other than the borrower, to reduce the rate on a second mortgage loan or to assist the borrower in qualifying for the loan;
>
> (7) For revolving loans, an annual fee not to exceed fifty dollars may be assessed.

Mo. Rev. Stat. § 408.233.1 (2005) (emphasis added). However, the law also provides that *§ 408.233.1* "shall not apply to any transaction in which a single extension of credit is allocated between a first lien and any number of subordinate liens . . ." *Mo. Rev. Stat. § 408.237* [*24] (2005).

The MSMLA also provides statutory remedies for violations. *Section 408.236* states that,

> *Any person violating* the provisions of *sections 408.231 to 408.241 shall be barred from recovery of any interest on the contract*, except where such violations occurred either:
>
> (1) As a result of an accidental and bona fide error of computation; or
>
> (2) As a result of any acts done or omitted in reliance on a written interpreta-

> tion of the provisions of sections 408.231 to 408.241 by the division of finance.

Mo. Rev. Stat. § 408.236 (2005) (emphasis added). Additionally *§ 408.562* provides that,

> *In addition to any other civil remedies or penalties provided for by law, any person who suffers any loss of money* or property as a result of any act, method or practice in violation of the provisions of sections 408.100 to 408.561 *may bring an action in the circuit court . . . to recover actual damages*. The court may, in its discretion, award punitive damages and may award to the prevailing party in such action attorney's fees, based on the amount of time reasonably expended, and may provide such equitable relief as it deems necessary and proper.

Mo. Rev. Stat. § 408.562 (2005) (emphasis added).

II. Because [*25] Mrs. Mayo is not a party to the Loan, she lacks standing to sue Defendants.

As an initial matter the Court holds Mrs. Mayo lacks standing to bring any MSMLA claims against Defendants because she was not a party to the Loan.

The doctrine of standing asks whether the litigant is entitled to have the court decide the merits of the dispute. *See Warth v. Seldin, 422 U.S. 490, 498, 95 S. Ct. 2197, 45 L. Ed. 2d 343 (1975)*. There are several requirements for standing, some of which are constitutional, that is, derived from interpretation of Article III, and some of which are prudential, meaning derived from the requirements of prudential judicial administration. Erwin Chemerinsky, *Federal Jurisdiction*, § 2.3.1, at 60-61 (5th ed. 2007). To satisfy constitutional standing requirements the plaintiff must show (1) that the plaintiff personally has suffered an actual or threatened injury ("injury-in-fact"); (2) that plaintiff's injuries are traceable to the challenged action of the defendant and not some third party ("traceability"); and (3) that the court can redress that injury by the relief requested ("redressibility"). *Lujan v. Defenders of Wildlife, 504 U.S. 555, 560, 112 S. Ct. 2130, 119 L. Ed. 2d 351 (1992)*. Prudential limitations on standing (1) require the [*26] plaintiff to assert only his or her own rights, not the rights of third parties; (2) forbid a plaintiff from suing as a taxpayer who shares a grievance in common with all other taxpayers; and (3) require the plaintiff to be within the zone of interests protected by the statute in question. Chemerinsky, *Federal Jurisdiction*, § 2.3.1, at 61. The burden of establishing standing lies with the plaintiff. *Steger v. Franco, Inc., 228 F.3d 889, 892 (8th Cir. 2000)*.

Mrs. Mayo does not have standing to sue under the MSMLA if she is not a party to the mortgage loan. *See HBC Auto Fin., Inc. v. Lyles, 240 S.W.3d 736, 738 (Mo. Ct. App. 2007)* (holding plaintiff who was not a party to, nor a third-party beneficiary, lacks standing to argue a loan agreement was invalid); *cf. Dash v. FirstPlus Home Loan Trust, 248 F. Supp. 2d 489, 503 (M.D.N.C. 2003)* (holding plaintiffs had standing to sue for violation of state lending law only assignees or purchasers of their loans, not other parties' loans). Otherwise Mrs. Mayo would not have suffered an injury-in-fact, she would simply be trying to assert someone else's rights--her husband's--and not her own.

And Mrs. Mayo is not, in fact, a party to the Loan. "A mortgage [*27] loan consists of a promissory note and security instrument, usually a mortgage or a deed of trust, which secures payment on the note by giving the lender the ability to foreclose on the property." *Bellistri v. Ocwen Loan Servicing, LLC, 284 S.W.3d 619, 623 (Mo. Ct. App. 2009)*. A spouse is not a party to a mortgage loan if she signs the deed of trust but does not sign the promissory note. *Ethridge v. TierOne Bank, 226 S.W.3d 127, 129 (Mo. 2007)*. Although Mrs. Mayo signed the Deed of Trust, she did not sign the Note, thus she was not a party to the mortgage loan. The fact that she believed she was a party to the Loan and signed the documents she was requested to sign at closing does not alter the analysis. Consequently she does not have standing to sue.

III. The funding fee and underwriting fee violate the MSMLA, but the other fees do not.

A. The Loan is a "piggyback" loan, and the MSMLA applies to it.

Defendants' first argument is that the MSMLA does not apply to the Loan because it was a "piggyback loan" which was part of a single extension of credit, along with the first mortgage loan, to acquire the property. There is no merit to this argument.

A piggyback loan is a common financing [*28] option whereby two loans are made to the borrower to finance more than 80% of the purchase price of a home without paying private mortgage insurance. *See Rendler v. Corus Bank, 272 F.3d 992, 996 (7th Cir. 2001)*. The first loan is typically made for 80% of the purchase price, and the second, or "piggyback," loan is a second-lien loan drawn to cover the down-payment requirement of the first-lien loan. *See Espinoza v. Recontrust Co., N.A., No. 09-CV-1687-IEG (RBB), 2010 U.S. Dist. LEXIS 38484, 2010 WL 1568551, at *1 n.1 (S.D. Cal. April 19,*

2010). The Loan at issue here, a second-lien loan which funded the 20% of the purchase price that the Wells Fargo loan did not, is a classic "piggyback" loan.

The Loan was not part of a single extension of credit. Although both the Option One and Wells Fargo loans closed concurrently as part of a single transaction to purchase the Mayos' home, there were two separate extensions of credit. This is evidenced by the fact that were two separate loans, an adjustable rate loan and a 30-year fixed loan, made by two different lending companies. For each loan there were separate notes and deeds of trust, separate HUD-1 settlement statements and loan disclosures, separate loan applications, [*29] separate loan underwriting processes, separate loan approvals, separate credit checks, and separate title policies. There were also separate wire transfers funding the loans, separate verification of income and employment, and separate instructions to the closing agent. Mr. Mayo also gave Wells Fargo separate, formal notice as the first lien holder that he was giving Option One a second lien on the property.

Finding that there were two extensions of credit, the Court holds Defendants cannot invoke *§ 408.237* to prevent the MSMLA from applying to the Loan.

B. The funding fee and underwriting fee paid to Option One violated the MSMLA.

Plaintiffs argue, and Defendants do not dispute, that the funding fee and underwriting fee paid to Option One violate the MSMLA. Defendants' argument, discussed below, is that *they* did not violate the MSMLA, thus they are not liable for any damages.

Whether or not the Defendants individually violated the MSMLA, it is clear that the funding fee and underwriting fees paid to Option One violated *§ 408.233.1(3)* because they were not paid to third parties, nor they are permissible under any other subsection of *§ 408.233.1*.

C. The other challenged fees are bona fide [*30] **closing costs paid to third parties that are permitted under *§ 408.233.1(3)*.**

Defendants contend that five of the challenged fees (the tax contract service fee, the flood search fee, the settlement or closing fee, the courier/delivery fee, and the wire fee), are permitted under the MSMLA as "bona fide closing costs paid to third parties." *Mo. Rev. Stat. § 408.233.1(3)* (2005). They argue the statute's language allowing "bona fide closing costs paid to third parties, which shall include . . .," outlines categories of acceptable fees. *Id.*

Plaintiffs argue that the list of permissible "closing costs" set out in *§ 408.233.1(3)* is a limited and exclusive one. If a particular fee does not appear among the statutory list, it is *per se* illegal, and violates the MSMLA. Plaintiffs have withdrawn their allegation that the "Flood Search Fee" paid to First American Flood Data Services violates the MSMLA. [7]

> 7 In addition to arguing that the flood search fee was a bona fide closing cost paid to a third party, Defendants argued that the fee was authorized by federal law, and federal law preempts the MSMLA. In response Plaintiffs initially argued that "none of the 5 fees Defendants' motions address (tax [*31] service contract, flood search, settlement or closing, courier/delivery and wire fees) appears among the authorized list of 'closing costs' in *§ 408.233.1(3)*. Hence, each should be deemed an illegal fee." Suggs. In Opp'n (doc. 192) at 172-73. Two pages later, however, they concede the issue, stating they "withdraw their allegation that the flood certification fee violates the MSMLA." *Id.* at 174.

1. "Which shall include" as used in *§ 408.233.1(3)* is inclusive.

A sister court in this district has previously held that the plain language of the statute "does not identify fees by a particular label or name; instead it provides for types or categories of fees that are permissible as bona fide closing costs for services that are required for the closing of a second mortgage loan." *Washington, 2010 U.S. Dist. LEXIS 2623, 2010 WL 199881 at *4* (quoting *Mitchell v. Beneficial Loan & Thrift Co., 463 F.3d 793, 795 (8th Cir. 2006))*. The question of whether the enumerated list in *§ 408.233.1(3)* is exclusive was not before the court in *Washington*, but it is here.

In interpreting a state statute a federal court applies the state's rules of statutory construction. *Kansas State Bank in Holton v. Citizens Bank of Windsor, 737 F.2d 1490, 1496 (8th Cir. 1984)*. [*32] Under Missouri law "courts have a duty to read statutes in their plain, ordinary and usual sense. Where there is no ambiguity, this Court does not apply any other rule of construction." *MC Dev. Co., LLC v. Cent. R-3 Sch. Dist. of St. Francis County, 299 S.W.3d 600, 604 (Mo. 2009)*. Where this is ambiguity, "[t]he primary rule of statutory interpretation is to give effect to legislative intent as reflected in the plain language of the statute." *State ex rel. Burns v. Whittington, 219 S.W.3d 224, 225 (Mo. 2007)*.

As a threshold matter the Court finds there is no ambiguity and that the plain and ordinary meaning of *§ 408.233.1(3)* is that the enumerated fees are simply examples, not an exclusive list. *Contra Mitchell v. Residential Funding Corp., 334 S.W.3d 477, 2010 Mo. App. LEXIS 1593, 2010 WL 4720755, at *12-13 (Mo. Ct. App.*

Nov. 23, 2010) (holding the list is "deliberate and exclusive.") As used in the statute this Court finds that "which shall include" is inclusive. This finding is confirmed by the controlling caselaw. As the Missouri Supreme Court has observed, "[t]he meaning of the word 'include' may vary according to its context. Ordinarily it is not a word of limitation, but rather of enlargement." *St. Louis County v. State Highway Comm'n, 409 S.W.2d 149, 153 (Mo. 1966)*. [*33] In *St. Louis County* voters had approved a bond issuance for "the construction of highways," "said highways to include those commonly known as the Mark Twain and Daniel Boone Expressways and Ozark Expressway with Route 61 connection, and an outer belt expressway running generally north and south and connecting with highways and expressways running generally east and west" in the county, but the bond proceeds were used on other highways in the county. Overturning the trial court the Missouri Supreme Court ruled the bond language did not prohibit the proceeds from being spent on other highways in the county. The Supreme Court held, "[w]hen used in connection with a number of specified objects [the word 'include'] implies that there may be others which are not mentioned." Similarly, in the present case, the Court reads "include" in *§ 408.233.1(3)* as implying that there are other permissible fees which are not mentioned.

This holding is consistent with the requirement that when reading a statute a court "is required to give meaning to every word of the legislative enactment." *State ex rel. SSM Health Care St. Louis v. Neill, 78 S.W.3d 140, 144 (Mo. 2002)*. Limiting recoverable bona fide closing [*34] costs to the enumerated fees would essentially write the words "which shall include" out of the statute. If the listed fees were meant to be the only permissible ones, the General Assembly would not have inserted the phrase "which shall include" in the statute, it would have been superfluous and unnecessary. The Court also notes the plain and ordinary use of the phrase "which shall include" is to alert the reader that the subsequently listed items are examples. Hence the only reading of *§ 408.233.1(3)* which gives meaning to every word of it is to interpret "which shall include" inclusively.

Plaintiffs' contention, that the phrase "which shall include" is "irrefutably restrictive" and that there is "absolutely no reason" for the legislature to enumerate the five fees if it was not an exclusive set, ignores obvious reasons for listing the fees: It would be practically impossible for the General Assembly to envision every bona fide closing cost that could be paid to a third party and list it in the MSMLA, but a partial list illustrates what types of costs are allowed. Likewise there is no merit to the suggestion that reading the phrase inclusively will "truly blow apart" the statute and [*35] "permit a lender to assess any number of different, additional fees." Read inclusively the language still limits fees to bona fide closings costs paid to third parties. It prevents borrows from being charged any non bona fide fees, or fees that will directly or indirectly be paid to a lender.

Of course, reading *§ 408.233.1(3)* inclusively is contrary to *Mitchell v. Residential Funding Corp. 2010 Mo. App. LEXIS 1593, 2010 WL 4720755, at *13* (holding the list is "deliberate and exclusive.") [8] In *Mitchell* the court acknowledged a previous decision in *State ex rel. Nixon v. Estes* that "include" is usually a term of enlargement, but held it had an exclusive meaning as used in *§ 408.233.1(3)*. [9] The court distinguished *Estes* on the grounds that the "contextual language" of *§ 408.233.1(3)* was "quite different." *Mitchell, 2010 Mo. App. LEXIS 1593, 2010 WL 4720755, at *13*. It opined that in Estes an inclusive use of "include" was needed to animate the legislature's intent, but an exclusive use was required under *§ 408.233.1(3)* to effectuate the MSMLA's broad purpose as a consumer protection statute. *Id.*

> 8 Plaintiffs' claim that "five (5) different judges in four (4) different cases" have reached a similar conclusion. This is an exaggeration. In several [*36] of the cited cases it is unclear whether the issues before the court were identical to those here, or what exactly the court's ruling was. That said, the rulings in *Schwartz v. Bann-Cor Mortgage*, No. 00CV226639, special master's report at 11 (Circuit Court of Jackson County, Mo. filed May 14, 2009) and *Mitchell v. Residential Funding Corporation*, No. O3CV2200489 (Circuit Court of Jackson County, Mo.) support Plaintiffs' position.
>
> 9 *Mitchell* acknowledged that in *State ex rel. Nixon v. Estes* it held "[w]hile the plain meaning of the word 'include' may vary according to its context in a statute, it is ordinarily used as a term of enlargement, rather than a term of limitation." *Mitchell, 2010 Mo. App. LEXIS 1593, 2010 WL 4720755, at *13* (citing *State ex rel. Nixon v. Estes, 108 S.W.3d 795, 800 (Mo. Ct. App. 2003)*. This portion of *Estes cites St. Louis County, 409 S.W.2d at 152-153*.

The Court declines to follow this small portion of *Mitchell* for two reasons. First, while *Estes* may be distinguishable, *St. Louis County* is analogous, and because it is an analogous decision by the state's highest court its holding should control in interpreting *§ 408.233.1(3)*. Second, although this Court reads *§ 408.233.1(3)* as unambiguously [*37] providing a non-exclusive list of fees, assuming for the sake of argument that the language is ambiguous, an inclusive reading best embraces the General Assembly's intent. The Court finds the MSMLA is a usury law. The General Assembly's intent was to

prevent lenders who were already charging high-interest rates on second mortgage loans from also lining their pockets with fees for questionable services. *See Thomas v. U.S. Bank Nat. Ass'n ND, 575 F.3d 794, 796 n.1 (8th Cir. 2009)* ("The limits on closing costs and fee provided for in the MSMLA act as a trade-off for allowing lenders to charge a higher interest rate on second mortgage loans."). Section *§ 408.233.1(3)* does this by preventing the imposition of anything other than bona fide closing costs paid to third parties. But interpreting the subsection exclusively, that is, as allowing fees for the bona fide closing costs explicitly mentioned, but not others, would be arbitrary and do nothing to advance the statute's purpose. A bone fide $25 "document preparation fee" paid to a third-party is no worse than a bone fide $25 "courier fee" paid to a third-party. Both are costs of business passed on to the consumer. Reading the language [*38] as allowing fees for any bona fide closing cost so long as it is paid to a third party best effectuates the statute's purpose.

Consequently the Court holds "which shall include" in *§ 408.233.1(3)* should be read inclusively.

2. The four contested fees are bona fide closing cost paid to third-parties.

As discussed above *§ 408.233.1(3)* permits a bona fide closing cost to be paid to a third party in connection with a second mortgage loan. A "bona fide [closing] cost is one that is 'paid to an unaffiliated third party for services actually performed.'" *Washington, 2010 U.S. Dist. LEXIS 2623, 2010 WL 199881 at *4* (quoting *Mitchell v. Beneficial Loan & Thrift Co., 463 F.3d 793, 795 (8th Cir. 2006))*. Plaintiffs concede that the $12 flood search fee charged at closing was lawful. With respect to the four contested fees the record establishes that three of them, the tax service contract fee paid to Fidelity National Tax Service, and the courier/delivery and wire fees paid to Capital Title Agency, were paid to unaffiliated third parties for services actually performed, thus they do not violate the MSMLA.

Plaintiffs contest the legality of the remaining fee, arguing the $100 settlement or closing fee paid to Capital Title Agency [*39] was not bona fide. Plaintiffs note that under Missouri law it is illegal to charge or receive a document preparation fee unless a licensed attorney has prepared the deed and other legal documents, and that under federal law it is unlawful to assess a fee for completing a settlement statement, and Plaintiffs intimate that Capital Title Agency has violated these provisions.

The authority cited by Plaintiffs establishes that "escrow companies may not charge a separate fee for document preparation or vary their customary charges for closing services based upon whether documents are to be prepared in the transaction," *Eisel v. Midwest BankCentre, 230 S.W.3d 335, 337 n.1 (Mo. 2007)*; that "charging a separate fee for the completion of legal forms by non-lawyers constitutes the unauthorized practice of law," *Carpenter v. Countrywide Home Loans, Inc., 250 S.W.3d 697, 702 (Mo. 2008)*; and that federal regulations prohibit any lender or servicer from imposing a fee for the preparation of a settlement statement. While the record clearly demonstrates that Capital Title spent several hours conducting a title search and collecting and preparing various documents needed for closing, there is no evidence [*40] that it charged a separate fee or varied its customary charges for preparing legal documents, or that it was a lender or servicer under federal law such that it was prohibited from imposing a fee for the preparation of a settlement statement. Furthermore the MSMLA explicitly states that "fees for preparation of a deed, settlement statement, or other closing documents" are legal. *Mo. Rev. Stat. § 408.233.1(3)(b)* (2005). Consequently the charge was a bona fide closing cost paid to a third party. *See Washington, 2010 U.S. Dist. LEXIS 2623, 2010 WL 199881, at *4* (holding $60 fee paid to third party title company which compiled the loan documents needed for closing, including the mortgage and note, and performed other pre and post-closing tasks, was permissible under *§ 408.233.1(3)*).

D. A pre-paid interest charge by itself does not violate the MSMLA.

Plaintiffs also contend that the pre-paid interest charge violates the MSMLA. Their argument is not that it is *per se* unlawful to charge pre-paid interest, but that once Option One violated *§ 408.233.1* by charging an illegal fee, Plaintiffs became entitled to recover all interest paid, including the prepaid interest, pursuant to *§§ 408.236* and *408.562*. The Court discusses [*41] Plaintiffs' argument below, but holds here that a pre-paid interest charge is not, by itself, a violation of the MSMLA.

IV. Assignee Defendants UBS and DBNTC as trustee of the MASTR Trust are liable under the MSMLA, but loan servicers GMACM and RFC are not.

Plaintiffs assert three theories of liability against Defendants. Plaintiffs contend that (1) because the money used to pay the illegal fees at closing was financed and rolled into the principal, Defendants received or collected a small amount of illegal fees each time a monthly payment was made on the Loan, thus Defendants *independently* violated the MSMLA by *indirectly* receiving illegal loan fees each month; (2) Defendants are *derivatively* liable as the originating lender's assignees under Missouri law, because by assuming the loans they assumed Option One's liability; and (3) Plaintiffs have a cause of action against DBNTC as trustee of the MASTR

Trust and UBS (jointly "the Assignee Defendants") to recover interest paid on the Loan, because once Option One charged an illegal fee the loan became tainted so that assignees of the Loan were barred from collecting any interest on it.

A. As post-closing, non-loan holder servicers, neither [*42] GMACM or RFC violated the MSMLA.

As post-closing, non-loan holder servicers who did not have any ownership interest in the Loan such that they were entitled to any interest or principal from it, neither GMACM or RFC directly or indirectly charged, contracted for or received any illegal fees in violation of *§ 408.233.1(3)*, thus they cannot be liable as the Complaint alleges.

GMACM serviced the Loan after UBS purchased the Loan in November of 2006. As the servicer GMACM collected payments due on the Loan, but was acting in a custodial capacity only. GMACM maintained a custodial account for the payments separate from its own assets and did not retain any loan payments or interest. The Loan's various owners simply paid GMACM a fee to perform administrative services related to collection and disbursement of the monthly payments.

RFC's relationship to the Loan is similar. After the MASTR Trust acquired the Loan RFC acted as the Master Servicer/Trust Administrator for the entire pool of mortgage loans transferred to the MASTR Trust, which including the Loan. As Master Servicer/Trust Administrator RFC primarily performed administrative and accounting functions for the Loan. RFC acted on behalf [*43] of the MASTR Trust in performing these activities and reported to DBNTC, the Trustee, regarding its master servicing obligations. RFC did collect or receive payments of principal or interest on the mortgage loans in trust, but received these payments from GMACM and placed them in a custodial account in the name of the DBNTC for the benefit of the Trust's shareholders. RFC was paid for its work as Master Servicer/Trust Administrator out of interest earned on the custodial account.

Neither GMACM nor RFC is related to, controlled by, or affiliated (other than its business relationships) with UBS, DBNTC or the MASTR Trust, and neither directly or indirectly charged, contracted for, or received any of the illegal fees imposed at the closing. Most importantly, unlike the Assignee Defendants, GMACM and RFC never acquired any ownership interest in the Loan such that they were entitled to the actual payments.

Performing administrative tasks related to the collection, accounting, and disbursement of monthly loan payments is completely different from charging, contracting for, or receiving an illegal fee imposed at closing. Nothing in the plain text of the MSMLA imposes liability on third-parties, [*44] such as loan servicers, who perform administrative tasks on loans.

Finally, the fact that GMACM was made an assignee on the deed of trust for administrative purposes is irrelevant. The assignment does not evidence that GMACM ever charged, contracted for, or received impermissible fees in any way, which is what liability is based on here. GMACM received an assignment in blank so that GMACM could be made an assignee on the deed of trust for administrative purposes, that is, so it could more efficiently perform its servicing responsibilities by assigning the loan to another servicer or releasing the deed of trust once the loan had been paid off. Indeed, at the time the assignment in blank was apparently created, November 4, 2005, GMACM was not even in existence.

Accordingly the Court finds GMACM and RFC are entitled to summary judgment on all claims against them.

B. Assignee Defendants indirectly violated the MSMLA by virtue of the fact that illegal fees were rolled into the principal of the Loan at closing, and Defendants subsequently received these fees in monthly payments made on the Loan.

Plaintiffs argue that because the money used to pay the illegal fees at closing was financed and [*45] rolled into the principal balance of the Loan, all Defendants received a small amount of these illegal fees every month as part of the monthly payment on the Loan, thus all Defendants violated the MSMLA by "indirectly" receiving illegal fees each time they received a monthly payment.

In response, Defendants contend that construing "indirectly charged" as encompassing financing payments on illegal fees charged at closing casts an absurdly wide net of liability. Defendants note that several courts have held for purposes of determining when a cause of action accrues under a statute of limitation that an illegal fee is charged once, at closing, not every time a payment is made. *Miller v. Pac. Shore Funding, 92 Fed. Appx. 933, 937 (4th Cir. Jan. 28, 2004)* (holding plaintiff's claims accrued at closing when he paid the disputed fees, even though the fees were paid by a promissory note); *Shepard v. Ocwen Fed. Bank, FSB, 172 N.C. App. 475, 617 S.E.2d 61, 65 (N.C. Ct. App. 2005)* (holding that although periodic payments were made toward the loan, the fee was paid at closing, observing plaintiffs were not required to finance the loan origination fee, they could have paid it by cash, check, or credit card). Finally, [*46] Defendants contend that "indirectly charged" as used in *§ 408.233.1* means a fee charged in a misleading or deceitful way at closing, not a fee received at some later time by a downstream assignee who indirectly finances the closing costs.

The Court agrees that the MSMLA covers fees that are financed into the loan principal and then paid over time. *Mitchell, 2010 Mo. App. LEXIS 1593, 2010 WL 4720755 at *17* (holding that fees rolled into loan principal on which assignee defendants charged interest supports a finding that they indirectly charged an unauthorized fee). The text of the statute states "[n]o charge . . . shall be directly or indirectly charged, contracted for *or received* . . ." Mo. Rev. Stat. § 408-233.1 (2005) (emphasis added). The definition of "indirect" is "deviating from a direct line or course: not proceeding straight from one point to another: proceeding obliquely or circuitously: ROUNDABOUT." *Webster's Third New Int'l Dictionary* 1151 (1986) (capitalization in original). Here the Assignee Defendants indirectly received the illegal fees, albeit a very small amount of them, each time they received a monthly payment containing a repayment of fees that were rolled into the principal. Although interpreting [*47] "indirectly" as Defendants suggest is consistent with an alternate definition of the word, such an interpretation would produce an odd result: Participants in the secondary mortgage market could easily evade the law and launder an illegal loan by selling it immediately after closing. The Court finds that Option One charged or contracted for illegal fees at closing, and the Assignee Defendants indirectly received these fees at a later time as the loan payments were made, thus Assignee Defendants independently violated § 408-233.1.

C. Assignee Defendants are not derivatively liable under the MSMLA as Option One's assignees.

Plaintiffs also claim Assignee Defendants are derivatively liable as the originating lender's assignees under Missouri law. Plaintiffs contend that they "stand in the shoes" of the assignor, Option One, and thus are derivatively liable for its MSMLA violations. There is no merit to this argument.

"Although an assignee is said to 'step into the shoes' of the assignor," this generally means "an assignee can acquire no greater right than the assignor held against the obligor." *Mitchell, 2010 Mo. App. LEXIS 1593, 2010 WL 4720755 at *20*. But an assignment of the right to collect a debt does not mean [*48] "that the assignee is subject to all of an obligor's causes of action against the assignor." *Id.* Nothing in the MSMLA changed this aspect of the common law: "While a lender may be held liable for directly or 'indirectly' charging, contracting for, or receiving unlawful charges, 'indirect' still implies the lender's liability for its own actions, not those of the loan originator." *Id.*

Consequently the Court grants Defendants summary judgment on this theory of liability.

D. Whether Assignee Defendants are holders in due course is a disputed question of material fact.

Related to their derivative liability theory Plaintiffs argue that *§ 408.236* "provides that interest is not allowed on violative second mortgage loans," and that "one who steps into the shoes of such a violator, must forego or forfeit and/or pay any interest paid and received on the illegal loan." Suggs. In Opp'n. at 157. Plaintiffs contend that regardless of whether Defendants independently violated the MSMLA, Option One violated it which tainted the Loan such that no interest could be charged on it, and this stain could not be laundered away by a subsequent assignment.

Defendants argue that mortgage loans are negotiable instruments [*49] governed by Article 3 of the Missouri Commercial Code ("the UCC"), [10] that the UCC does not provide the obligor on a negotiable instrument the right to pursue claims against an assignee of the negotiable instrument for the statutory violations of the assignor, and that the UCC displaces any common-law rights here. Defendants' argument appears to be that since they are assignees, they are holders in due course entitled to the protection of the Holder in Due Course rule.

10 *Mo. Rev. Stat. §§ 400.1-101-400.4A-507* (2005).

A mortgage loan is a promissory note and thus a negotiable instrument governed by the UCC. *Merz v. First Nat'l Bank of Franklin Cnty., 682 S.W.2d 500, 501-02 (Mo. Ct. App. 1984)*. A holder of an instrument, such as a promissory note, is a holder in due course if (1) the instrument when sold to the holder "did not bear such apparent evidence of forgery or alteration" or was not otherwise so incomplete as to call into questions its authenticity; and (2) the holder took the instrument under certain conditions, including taking the instrument "in good faith" and "without notice that any party has a defense or claim in recoupment described in *Section 400.3-305(a)*." *Mo. Rev. Stat. § 400.3-302(a)*. [*50] The burden of proof is on the party seeking to establish that it is a holder in due course. *Transcon. Holding Ltd. v. First Banks, Inc., 299 S.W.3d 629, 660 (Mo. Ct. App. 2009)*. The benefit of being a holder in due course of a negotiable instrument is that such a holder takes free of any "personal" defenses or claims of the maker, such as lack of consideration, but not "real" defenses, such as the underlying transaction being illegal. *Id. at 659*; *Mo. Rev. Stat. § 400-3.305* (2005). A holder in due course does not take free of any "real" defenses, such as the illegality of underlying transaction. *Transcon., 299 S.W.3d at 659*; *Mo. Rev. Stat. § 400-3.305* (2005).

The Assignee Defendants are entities that subsequently purchased the promissory note on the Loan and

so might be holders in due course. But given that there is a disputed question of material fact whether Assignee Defendants took the note in good faith or without notice of Plaintiffs' *§ 400.3-305* defense, the Court cannot determine at this time whether any Assignee Defendant is a holder in due course, and so cannot grant summary judgment on this theory of liability. [11]

> 11 Interestingly, even if the Assignee Defendants are holders [*51] in due course, there is a question whether Mr. Mayo may have had a defense which as a matter of law extinguished any obligation he had to repay any interest on the Loan. A "real" defense against a holder in due course includes the "illegality of the transaction which, under other law, nullifies the obligation of the obligor." *Mo. Rev. Stat. § 400.3-305(a)(1)(ii)* (2005).

V. Remedies

Defendants also seek summary judgment with respect to two remedies sought by Plaintiffs. *Section 408.236* states that, "[a]ny person violating the provisions of *sections 408.231 to 408.241* shall be barred from recovery of any interest on the contract." *Mo. Rev. Stat. § 408.236* (2005). *Section 408.562* provides that, "[i]n addition to any other civil remedies or penalties provided for by law, any person who suffers any loss of money or property as a result of any act, method or practice in violation of the provisions of *sections 408.100 to 408.561* may bring an action in the circuit court . . . to recover actual damages." *Mo. Rev. Stat. § 408.562* (2005). *Section 408.562* also invests the court with discretion to award punitive damages, equitable relief, and attorney's fees.

A. Plaintiffs may sue for interest previously [*52] **paid to Assignee Defendants.**

Defendants move for summary judgment on Plaintiff's claim for the return of all interest paid on the Loan. Defendants note that the MSMLA bars entities that have violated the statute from "*recovery* of any interest on the contract." They argue that "recover" as used in *§ 408.236* means "to be successful in a suit, to collect or obtain amount," not "charge" or "collect." Defendants read *§ 408.236* as barring a violator from suing a borrower to recover interest, not authorizing a borrower to sue a violator for the return of interest previously paid. Plaintiffs argue that *§ 408.236*, alone and together with *§ 408.562*, authorize Plaintiffs to recover interest on the loan.

There are two possible meanings of "recovery" as used in *§ 408.236*: (1) "The regaining or restoration of something lost or taken away;" and (2) "The obtainment of a right to something (esp. damages) by a judgment or decree." *Black's Law Dictionary* 1302 (8th ed. 2004). Both are equally plausible, so the Court cannot say that *§ 408.236* by itself creates a cause of action to recover interest previously paid on a loan. But reading *§ 408.236* in conjunction with *§ 408.562*, which explicitly creates a cause [*53] of action to "recover" damages for a violation *§ 408.231.1*, the Court finds that the plain meaning of the statute gives Plaintiffs a cause of action to recover interest paid to Assignee Defendants. Defendants motion is denied on this point.

B. Defendants are not entitled to summary judgment on punitive damages.

Defendants also move for summary judgment on Plaintiffs' claims for punitive damages under *§ 408.236*. Defendants contend that even at this stage of the litigation the record establishes that punitive damages should not be awarded here as a matter of law.

Under Missouri law,

> [a] punitive damages claim must be established with clear and convincing evidence. Clear and convincing evidence is evidence that "instantly tilts the scales in the affirmative when weighed against evidence in opposition; evidence which clearly convinces the fact finder of the truth of the proposition to be proved." Evidence may be clear and convincing even if susceptible to different interpretations which may, or may not, clearly convince a reasonable juror.

In re Genetically Modified Rice Litig., 666 F.Supp.2d 1004, 1030 (E.D. Mo. 2009). Viewing the evidence in the light most favorable to the Plaintiffs, there [*54] is evidence from which a reasonable juror could infer that the Assignee Defendants may have been completely indifferent to the borrower's rights under the MSMLA. Accordingly Defendants have not shown they are entitled to summary judgment with respect to punitive damages at this time. Of course, whether plaintiffs will actually make a submissible case for punitive damages depends on the evidence presented at trial.

Conclusion

The motions for summary judgment are GRANTED IN PART. The Court holds (1) Mrs. Mayo was not a party to the Loan thus she does not have standing to sue Defendants; (2) the funding fee and underwriting fee paid at closing to Option One both violate the MSMLA, but the other fees imposed do not; (3) the loan servicers are not liable, but the Assignee Defendants indirectly

violated the MSMLA by virtue of the fact that illegal fees were rolled into the principal of the Loan at closing and they subsequently received these fees in monthly payments; (4) Mr. Mayo may sue for interest previously paid to the Assignee Defendants; and (5) Defendants are not entitled to summary judgment on the issue of punitive damages.

All claims against Defendants GMAC Mortgage, LLC and Residential [*55] Funding Company, LLC are dismissed with prejudice.

IT IS SO ORDERED.

DATE: January 13, 2011

/s/ Greg Kays

GREG KAYS, JUDGE

UNITED STATES DISTRICT COURT

TAB 8

Slip Copy, 2010 WL 3324705 (N.D.Ill.)
(Cite as: 2010 WL 3324705 (N.D.Ill.))

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Only the Westlaw citation is currently available.

United States District Court,
N.D. Illinois,
Eastern Division.
STERLING FEDERAL BANK, F.S.B., Plaintiff,
v.
DLJ MORTGAGE CAPITAL, INC., Bank of America, N.A., Select Portfolio Servicing, Inc. and the Bank of New York Mellon Corp., Defendants.

No. 09 C 6904.
Aug. 20, 2010.

Brian Roger Kopelowitz, The Kopelowitz Ostrow Firm, PA, Fort Lauderdale, FL, David Paul Neuman, Stoltmann Law Offices, P.C., Chicago, IL, for Plaintiff.

Charles B. Leuin, Paul Alexis Del Aguila, Greenberg Traurig, LLP, Jonathan Stuart Quinn, Max A. Stein, Reed Smith LLP, Chicago, IL, Colleen J. O'Loughlin, Jeffrey Q. Smith, Scott E. Eckas, Bingham McCutchen LLP, New York, NY, for Defendants.

MEMORANDUM OPINION

JOHN F. GRADY, District Judge.

***1** Before the court is defendants' motion to dismiss plaintiff's complaint. For the reasons explained below we grant defendant's motion.

BACKGROUND

In separate transactions during December 2002 and May 2003 plaintiff Sterling Federal Bank, F.S.B. ("Sterling") purchased mortgage-backed pass-through certificates on the secondary market for approximately $6.5 million. (*See* Compl. ¶ 11; *id.* at n. 1.) [FN1] These certificates entitle their holders to periodic principal and interest payments funded by payments by borrowers from "pools" of sub-prime home mortgage loans. (*Id.* at ¶ 12; *see also* Prospectus Supp. (2002-24) at S-10.) The complaint alleges that the Series 2002-22 and 2002-24 certificates were collateralized by pools of 3,318 mortgage loans (aggregate principal balance: $569,444,524) and 1,794 mortgage loans (aggregate principal balance: $393,080,111), respectively. (Compl. ¶ 12 n. 2.) Credit Suisse First Boston Mortgage Corp. ("CSFB Mortgage") purchased the underlying mortgage loans from sellers including defendants DLJ Mortgage Capital, Inc. ("DLJ"), an affiliate of CSFB Mortgage. (Prospectus Supp. (2002-24) at S-21.) DLJ purchased the loans it sold to CSFB Mortgage from "various mortgage loan originators and purchasers" including, with respect to the 2002-24 transaction, defendant Bank of America, N.A. ("BOA"). (*Id.*) CSFB Mortgage (as the "depositor") conveyed the mortgages to trusts created specifically for these transactions, in return for which CSFB Mortgage received certificates evidencing various interests in the trusts. (*See* PSA (2002-24) §§ 2.01, 2.06.) CSFB Mortgage sold the certificates to its affiliate Credit Suisse First Boston Corp. (as underwriter), who then resold them to initial investors. (Prospectus Supp. (2002-24) at S-94.) The certificates are divided into various classes, each with a distinct position in the hierarchy of payment. (*Id.* at S-10-11.) Defendants contend-and Sterling does not dispute-that Sterling purchased certificates on the secondary market in classes subordinated to virtually all other certificates in order of payment. [FN2]

FN1. The terms governing the two "Certificate Series" at issue in this case-2002-22 (purchased by Sterling on December 29, 2002) and 2002-24 (purchased on May 27, 2003)-are substantially similar. For ease of reference we will follow the parties' lead and refer to documents concerning Series 2002-24 except as otherwise noted. The principal documents are: (1) the Prospectus Supplement, dated August 28, 2002, attached as Ex. B to Sterling's Complaint ("Prospectus Supp. (2002-24)"); and (2) the Pooling and Servicing Agreement, dated August 21, 2002, attached as Ex. 1 to the defendants' memorandum of law in support of their motion to dismiss ("PSA (2002-24)"). Sterling attached the PSA for the 2002-22 transaction to its complaint, but not the PSA for the 2002-24 transaction. That appears to have been an oversight. (*See* Compl. ¶¶ 15, 17 (referring to that document as though it had been attached).) For purposes of defendants' motion we will treat the PSAs as part of

Sterling's complaint. Fed.R.Civ.P. 10(c); *see also Chicago Dist. Council of Carpenters Welfare Fund v. Caremark, Inc.*, 474 F.3d 463, 466 (7th Cir.2007).

FN2. Those classes are identified as Security 2002-22 DB1 and Security 2002-24 IB2. (Compl.¶ 11.)

Many mortgage-backed securities transactions have features (called "credit support" or "credit enhancement") designed "to give investors greater assurance they will receive payments on their [mortgage-backed securities]." SEC Staff Report, Enhancing Disclosure in the Mortgage-Backed Securities Markets, at Part II.C.4 (Jan.2003), *available at* http://www.sec.gov/news/studies/mortgagebacked.htm#secii. These particular transactions were "over-collateralized," meaning that the mortgage pools were expected to generate more cash flow than the amounts needed to make payments on the certificates. (Defs.' Mem. at 6; Compl. ¶¶ 21-22.) Also, certain of the mortgage loans in the pool are covered by a mortgage guaranty insurance policy covering losses up to a maximum amount. (Compl. ¶¶ 15, 20-22; *see also* Prospectus Supp. (2002-24) at S-11, S-23-24.) Sterling alleges that the defendants failed to remedy mortgage defaults and failed to provide information to certificateholders and ratings agencies that would have revealed the mortgage pools' true condition. Because of the defendants' actions the securities are no longer over-collateralized (Pl.'s Resp. at 2 n. 3) and ratings agencies have substantially downgraded the certificates' investment ratings. (Compl. ¶¶ 21-22; *see also id.* at ¶ 15 n. 4; Prospectus Supp. (2002-24) at S-95 ("The ratings on mortgage pass-through certificates address the likelihood of the receipt by certificateholders of all distributions on the underlying mortgage loans to which such certificateholders are entitled.").) The first six counts of Sterling's seven-count complaint allege that the defendants breached their obligations under the certificates' governing documents, the PSAs. Count VII alleges that BNYM, as trustee and "trust administrator," breached its fiduciary duties to certificateholders (including Sterling).

1. Count I Alleging Breach of Contract Against BOA & DLJ

***2** DLJ and BOA, as mortgage sellers, made certain representations and warranties to CSFB Mortgage and BNYM concerning the underlying mortgage loans. (*See* PSA (2002-24) § 2.03 & Schedules IIIA (DLJ) & IIID (BOA).) Paragraph 26 of Sterling's complaint refers generally to "Schedules IIA, IIF, IIIA, and IIID," which contain nearly one hundred separate representations and warranties. In their opening brief defendants argue that this is insufficient to give them notice of the alleged breach. (Defs.' Mem. at 13-14.) Sterling responds that it "clearly alleges" breach of paragraph (xii) in schedules IIIA (DLJ) and IIID (BOA). (Pl.'s Resp. at 7.) Paragraph (xii)-in which DLJ and BOA represent that they are the sole owners of the mortgage loans-is not mentioned anywhere in the complaint, either directly or indirectly. But elsewhere in the complaint Sterling refers to paragraphs (iii) (representing that there are no material loan defaults) and (xi) ("[n]o fraud, error, omission, misrepresentation, negligence or similar occurrence with respect a Mortgage Loan has taken place on the part of Seller or the Mortgagor ....). (Compl.¶ 17.) We infer that Sterling alleges that DLJ and BOA breached these particular representations and warranties. Section 2.03 of the PSAs requires the sellers to cure any breach of a representation or warranty that "materially and adversely affects the interests of the Certificateholders in any Mortgage Loan" within 90 days of discovering (or receiving written notice of) such breach. (PSA (2002-24) § 2.03(c).) If the seller fails to cure the breach then it must-with an exception not applicable to the loans at issue here-"repurchase the affected Mortgage Loan or Mortgage Loans from the Trustee." (*Id.*) Sterling alleges that DLJ and BOA have failed to cure or repurchase defaulted loans. (Compl. ¶ 28; Pl.'s Resp. at 13 n. 8.)

2. Counts II, III, and IV Alleging Breach of Contract Against Select Portfolio Servicing, Inc. ("SPS").

Under the PSAs defendant SPS (as "Servicer") collects payments and performs other administrative activities with respect to the loans. (Compl. ¶ 8; *see generally* PSA (2002-24) Article III ("Administration and Servicing of Mortgage Loans").) Sterling alleges that SPS failed to pursue claims for insurance coverage regarding the mortgage loans (*see* PSA (2002-24) § 3.09) and failed to foreclose on delinquent loans (*see id.* at § 3.11). (Compl. ¶¶ 33-34 (Count II).) SPS also failed to provide defendant Bank of New York Melon ("BNYM," as trustee) with "complete and accurate information" concerning the mortgage loans in breach of PSA §§ 2.07(m) and 3.07(a). (*Id.* at ¶¶ 38-39 (Count

III).) Finally, Sterling alleges that SPS failed to "enforce" DLJ's and BOA's obligations to cure or repurchase defaulted loans. (*Id.* at ¶¶ 43-46 (Count IV).)

3. Counts V, VI, and VII Alleging Breach of Contract and Breach of Fiduciary Duty Against BNYM.

*3 BNYM, as the successor in interest to Bank One, National Association (*see* Defs.'s Mem. at 7 n. 8), serves as the trustee and "Trust Administrator" with respect to the transactions. Sterling contends that BNYM breached PSA § 12.05 by failing to provide ratings agencies with information concerning the mortgage loans. (Compl. ¶¶ 50-51 (Count V).) Sterling further alleges that BNYM violated PSA § 4.04 by failing to provide "full and accurate information" to certificateholders regarding claims submitted under the mortgage guaranty insurance policy. (*Id.* at ¶ 55 (Count VI).) Finally, Sterling alleges that BNYM breached its fiduciary duties to certificateholders (including Sterling) by "failing to enforce the terms of the [PSAs]." (*Id.* at ¶ 67 (Count VII).) Specifically, Sterling alleges that BNYM "had a duty to seek data from SPS as to the number of and status of Triad insurance claims, particularly Triad claim denials." (*Id.* at ¶ 62.)

DISCUSSION

A. Standard of Review

The purpose of a 12(b)(6) motion to dismiss is to test the sufficiency of the complaint, not to resolve the case on the merits. 5B Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 1356, at 354 (3d ed.2004). To survive such a motion, "a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.' A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Ashcroft v. Iqbal*, --- U.S. ----, ----, 129 S.Ct. 1937, 1949, 173 L.Ed.2d 868 (2009) (citing *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570, 556, 127 S.Ct. 1955, 167 L.Ed.2d 929 (2007)). When evaluating a motion to dismiss a complaint, we must accept as true all factual allegations in the complaint. *Iqbal*, 129 S.Ct. at 1949. However, we need not accept as true its legal conclusions; "[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice." *Id.* (citing *Twombly*, 550 U.S. at 555).

B. Dismissal for Noncompliance with the No-Action Clause

Defendants do not dispute that Sterling, as a certificateholder, is a third-party beneficiary of PSAs with the right to enforce those agreements. However, the PSAs impose restrictions on such suits:

> No Certificateholder shall have any right by virtue or by availing itself of any provisions of this Agreement to institute any suit 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 Trust Administrator a written notice of an Event of Default and of the continuance thereof, as provided herein, and unless the Holders of Certificates evidencing not less than 25% of the Voting Rights evidenced by the Certificates shall also have made written request upon the Trust Administrator to institute such action, suit or proceeding in its own name as Trust Administrator hereunder and shall have offered to the Trust Administrator such reasonable indemnity as it may require against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trust Administrator 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 being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder and the Trust Administrator, that no one or more Holders of Certificates shall have any right in any manner whatever by virtue or by availing itself or themselves of ay provisions of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of the Certificates, or to obtain priority or preference to any other such Holder or to enforce any right under this Agreement, except in the manner herein provided and for the common benefit of all Certificateholders.

*4 (PSA (2002-24) § 12.07.) So-called "no action" clauses like § 12.07 are a common feature of bond indentures. They "protect against the exercise of poor judgment by a single bondholder or a small group of bondholders, who might otherwise bring a suit against the issuer that most bondholders would consider not to be in their collective economic interest." *Feldbaum v. McCrory Corp.*, Civ. A. Nos. 11866, 11920, 12006, 1992 WL 119095, *6 (Del.Ch. June 2, 2002) (quoting *Commentaries on Indentures*, § 5.7, at

232 (1971)). Courts "strictly construe" such clauses. *Cruden v. Bank of N.Y.*, 957 F.2d 961, 968 (2d Cir.1992) (applying New York law).[FN3] Sterling "generally" alleges that "all conditions precedent have occurred or been performed," *see* Fed.R.Civ.P. 9(c), and argues that this is sufficient to satisfy the no-action clause at the pleading stage. (Pl.'s Resp. at 8.) But Sterling cannot allege something it knows to be untrue (*see* Fed.R.Civ.P. 11(b)), and it admits that it has *not* complied with § 12.07. (*Id.*) Nevertheless, it contends that we should excuse its failure to comply with the no-action clause.

> FN3. The PSAs are governed by New York law. (*See* PSA (2002-24) § 12.03.)

Courts construing New York law have not applied no-action clauses to bondholder claims against indenture trustees. *See Cruden*, 957 F.2d at 968 (concluding that it would be "absurd" to ask the trustee to sue itself); *see also Peak Partners, LP v. Republic Bank*, 191 Fed.Appx. 118, 126 n. 11 (3d Cir.2006) (applying *Cruden* in a case involving mortgage-backed securities: "[t]he District Court also held, and we agree, that Peak was not required to comply with the no-action clause with regard to its suit against U.S. Bank because it would have required U.S. Bank, in effect, to sue itself.") (internal quotation marks omitted). Section 12.07 is not by its own terms limited to lawsuits filed against any particular party, but then neither was the no-action clause in *Cruden*. Indeed, the language of the two provisions is remarkably similar and defendants have not attempted to distinguish *Cruden*. We conclude that Sterling is excused from demanding that BNYM sue itself. *See Peak Partners*, 191 Fed.Appx. at 126 n .11. Defendants effectively concede this point, but argue that we should not excuse Sterling from complying with § 12.07's other requirements, including the obligation to obtain the endorsement of "Holders of Certificates evidencing not less than 25% of the Voting Rights evidenced by the Certificates." (Defs.' Reply at 5.) Defendants have not cited any authorities that support parsing the no-action clause's requirements in this fashion. And by implication, at least, the authorities they rely upon have rejected that approach. *See Cruden*, 957 F.2d at 968; *Peak Partners*, 191 Fed.Appx. at 126 n. 11. We conclude that Sterling is excused from complying with the no-action clause with respect to its claims against BNYM.

Sterling argues that we should also excuse compliance with § 12.07 concerning its claims against DLJ, BOA, and SPS. First, we conclude that Sterling's claims against these parties fall within the no-action clause's broad language. *See Feldbaum*, 1992 WL 119095, *7 ("Courts have implicitly concluded that [no action clauses] appl[y] equally to claims against non-issuer defendants as to claims against issuers"); *see also Peak Partners*, 191 Fed.Appx. at 127 (applying a no-action clause to a claim against the servicer, but not to claims against the trustee, in a mortgage-backed securities transaction). It is true, as Sterling points out (Pl.'s Resp. at 9 n. 6), that "Events of Default" are defined solely with respect to SPS's duties under PSAs. (PSA (2002-24) § 8.01.) But given § 12.07's breadth-restricting *"any* suit or proceeding in equity or at law upon or under or with respect to [the PSAs]"-we do not believe that the clause can be read to apply only to claims against SPS (or to claims specifically seeking damages caused by Events of Default). *See Feldbaum*, 1992 WL 119095, *7. Nevertheless, Sterling argues that "BNYM has abdicated its roles as a protector of the interests of Sterling in such a fashion that the no-action clause should not be enforced," (Pl.'s Resp. at 9), citing *Rabinowitz v. Kaiser-Frazer Corp.*, 111 N.Y.S.2d 539 (N.Y.Sup.Ct.1952). The plaintiff in *Rabinowitz* was a bondholder owning less than one-eighth of 1% of the issuer's outstanding bonds. *Id.* at 544. The court concluded that, notwithstanding a no-action clause requiring that 25% of bondholders request that the trustee bring suit, the plaintiff had standing to sue the trustee, the issuer, and the issuer's successor-in-interest. *Id.* at 547. The court reasoned that the plaintiff had sufficiently alleged a conflict of interest that excused compliance with the no-action clause, noting that the trustee had made loans to the issuer that were "enmeshed" with transaction that allegedly caused the bondholders' loss. *Id.* at 546.

***5** Sterling alleges that BNYM has a conflict of interest because it "regularly acts and is appointed as a trustee for CSFB issued securities" and earns "trustee fees and other benefits" in that capacity. (Compl.¶¶ 65-66.) If this is a conflict of interest, then it is inherent in the office of trustee as defined in the PSAs. Courts applying New York law have rejected lawsuits against indenture trustees predicated on similar allegations. *See In re E.F. Hutton Southwest Properties II, Ltd.*, 953 F.2d 963, 972 (5th Cir.1992) ("A mere hypothetical possibility that the indenture trustee might favor the interests of the issuer merely because the

former *is* an indenture trustee does not suffice.") (citing *Elliott Associates v. J. Henry Schroder Bank & Trust Co.*, 838 F.2d 66, 71 (2d Cir.1988)). We are not persuaded that a New York court would apply a less demanding standard where, as here, an investor is seeking to avoid a no-action clause. *Cf. In re E.F. Hutton Southwest Properties II, Ltd.*, 953 F.2d at 972 (construing New York law to require "a clear possibility" of a conflict of interest, "e.g., where the indenture trustee is a general creditor of the obligor, who is in turn in financial straits"); *Rabinowitz*, 111 N.Y.S.2d at 546 (alleging that the trustee was a general creditor of the issuer). Indeed, if we accepted Sterling's argument noaction clauses would rarely (if ever) play a role in bondholder litigation. Nor are we persuaded that the no-action clause should be set aside because BNYM has not responded to Sterling's requests for information regarding claims submitted under the mortgage guaranty insurance policy. (Compl.¶¶ 55, 70.) There is an important difference between asking the trustee to sue itself-an "absurd" requirement that we presume the parties did not intend-and asking it to sue a third party, even when the investor alleges wrongdoing by the trustee. Sterling's recourse in the event that the trustee refuses to pursue a claim is set forth in the PSA itself: if the other prerequisites are satisfied, and the trustee "neglect[s] or refuse[s]" to file a lawsuit for any reason, certificateholders may proceed without the trustee's consent. (PSA (2002-24) § 12.07.) We conclude that Sterling's futility argument does not excuse compliance with the no-action clause as to its claims against DLJ, BOA, and SPS.[FN4] As we have already indicated, Sterling admits that it has not even attempted to comply with § 12.07. Accordingly, we dismiss Counts I, II, III, and IV of Sterling's complaint without prejudice.

> FN4. We are aware that the court in *Sterling Fed. Bank, F.S.B. v. Credit Suisse First Boston Corp. ("Sterling I")*, No. 07-C-2922, 2008 WL 4924926, *11 (N.D.Ill. Nov.14, 2008) reached a different conclusion on similar facts. We respectfully disagree with that decision as inconsistent with the purpose of noaction clauses to protect bondholders from footing the bill for lawsuits not in their collective economic interest. *See Feldbaum*, 1992 WL 119095, *6.

C. Whether Sterling's Claims Against BNYM are Derivative

Defendants contend that Sterling cannot maintain a direct action because the complaint alleges an injury-diminished "credit support" stemming from mismanagement of loans in the mortgage pools-affecting the trusts as a whole. *See Dallas Cowboys Football Club, Ltd. v. National Football League Trust*, No. 95 CIV. 9426(SAS), 1996 WL 601705, *2-4 (S.D.N.Y. Oct.18, 1996) (dismissing direct claims filed by a single trust beneficiary against a trustee for breach of duties owed to all trust beneficiaries). And because the claim is derivative Sterling's complaint should be dismissed for failing to satisfy Rule 23.1's pleading requirements. *See* Fed.R.Civ.P. 23.1 (requiring the plaintiff in a derivative action to "state with particularity" its "reasons for not obtaining ... or not making the effort" to "obtain the desired action from the directors or comparable authority"). The gist of Sterling's response is that it has been harmed in ways that are distinct from other certificateholders. *See, e.g., Dallas Cowboys*, 1996 WL 601705, *4 (concluding that the plaintiff could bring a direct claim for injuries caused by the defendant's actions directed specifically to the plaintiff). It alludes-without any specific citations-to banking regulations making it onerous for federally chartered banks like Sterling to carry below investment-grade securities. (*Id.*) [FN5]

> FN5. Sterling also argues, circularly, that holders of each class of certificates suffer a distinct injury by dint of owning distinct classes of certificates. (Pl.'s Resp. at 10.) This argument is undeveloped and unsupported by any pertinent authorities. *See United States v. Berkowitz*, 927 F.2d 1376, 1384 (7th Cir.1991) ("We repeatedly have made clear that perfunctory and undeveloped arguments, and arguments that are unsupported by pertinent authority, are waived.").

***6** Sterling relies heavily on the court's decision in *Sterling I*, which in turn closely followed the analysis in *First Bank Richmond, N.A. v. Credit Suisse First Boston Corp.*, No. 1:07-cv-1262-LJM-TAB, 2008 WL 4410367, *10 (S.D.Ind. Sept.24, 2008). In both cases the defendants argued-as the defendants do here-that the plaintiffs' claims were derivative because they were predicated on injury to the trusts. *See Sterling I*, 2008 WL 4924926, *10; *First Bank Richmond*, 2008 WL 4410367, *10. Without specifically addressing the direct/derivative distinction both courts

analyzed the complaints' allegations under Rule 23.1(b) (3) as though the claims were derivative. Applying New York law, these courts concluded that demand was excused. *See Sterling I,* 2008 WL 4924926, *10; *First Bank Richmond,* 2008 WL 4410367, *10. We likewise conclude that it would be futile for Sterling to demand that BNYM sue itself. *See Velez v. Feinstein,* 87 A.D.2d 309, 317, 451 N.Y.S.2d 110 (N.Y.App.Div.1982) (concluding that the complaint sufficiently alleged demand futility where the trustee was controlled by the party the plaintiff sought to sue derivatively). But Rule 23.1 imposes other obligations at the pleading stage (e.g., the complaint must be verified) and beyond (e.g., a derivative action may be settled only with notice to affected stakeholders and court approval). *See* Fed.R.Civ.P. 23. 1(b)-(c). It is important, then, to properly categorize Sterling's claims even though we have concluded that demand is excused. Sterling's claims are predicated on duties that BNYM owes to all certificateholders. *See Dallas Cowboys,* 1996 WL 601705, *4 ("These allegations assert the breach of a duty owed equally to all beneficiaries, and must be dismissed."); *see also Feldbaum,* 1992 WL 119095, *8 ("Any conduct by the issuer that violates an indenture covenant, implied or otherwise, necessarily harms all bondholders in the same manner, to wit, through an increased risk of default and a corresponding reduction in the market value of the bonds."). Sterling has been injured by virtue of owning interests in the trusts injured by BNYM's alleged breaches. Even assuming that Sterling may recover from BNYM the costs of complying with federal banking regulations, its claim is still predicated on harm to the trusts. We conclude, consistent with the implicit holding of *Sterling I,* that Rule 23.1 applies because Sterling's claims are derivative. Anticipating that Sterling will refile its complaint as a derivative action, we will proceed to discuss BNYM's other challenges to Sterling's claims against it.

D. Whether Sterling has Stated Claims Against BNYM for Breach of Contract & Breach of Fiduciary Duty.

1. Breach of Contract (Counts V & VI)

In Count V of its complaint Sterling alleges that BNYM failed to provide information to ratings agencies required by § 12.05 of the PSAs. Sterling filed a nearly identical claim against the defendants in *Sterling I,* which the court dismissed for failure to state a claim. *Sterling I,* 2008 WL 4924926, *14. In its earlier complaint Sterling recited the relevant provision of the PSA, then requested relief "without any allegation that one (or more) of the five events occurred that may have triggered Bank of New York's duty to perform." *Id.* Sterling's complaint in this case adds the allegation that BNYM has breached § 12.05. (Compl.¶ 51.) Defendants argue that Sterling has not alleged specifically what information it omitted and when, but we think this overstates Sterling's pleading burden. Sterling's allegation is not implausible, and it puts the defendants on notice of its claim. The same analysis applies to Sterling's claim that BNYM breached PSA § 4.04 by failing to provide certificateholders with the "number and principal amount of claims submitted under the Mortgage Guaranty Insurance Policy, as applicable." (PSA (2002-24) at Ex. U.) Defendants raise several substantive objections to Sterling's allegation, (Defs.' Resp. at 22-23), but those arguments that more appropriately raised in a motion for summary judgment. *Cf. Sterling I,* 2008 WL 4924926, *14 (concluding that Sterling had stated a claim for relief on similar facts).

2. Breach of Fiduciary Duty (Count VII)

*7 Defendants maintain that Sterling's fiduciary duty claim is barred by the Section 352 of the N.Y. Gen. Bus. Law (the "Martin Act"). The Martin Act "prohibits various fraudulent and deceitful practices in the distribution, exchange, sale and purchase of securities." *Castellano v. Young & Rubicam, Inc.,* 257 F.3d 171, 190 (2d Cir.2001). There is no private right of action under the Martin Act, and "New York courts have determined that sustaining a cause of action for breach of fiduciary duty in the context of securities fraud 'would effectively permit a private action under the Martin Act, which would be inconsistent with the Attorney-General's exclusive enforcement powers thereunder.' " *Id.* (quoting *Eagle Tenants Corp. v. Fishbein,* 182 A.D.2d 610, 582 N.Y.S.2d 218, 219 (N.Y.App.Div.1992) (internal citation omitted).) Sterling's complaint alleges that it relied on BNYM's misrepresentations and omissions of material fact "in both purchasing the Certificate Tranches and in deciding when to sell or not to sell the Certificate Tranches." (Compl. ¶ 69; *see also id.* at ¶¶ 19-20, 582 N.Y.S.2d 218 (alleging that the defendants did not "make any amendment or correction to the Prospectus Supplement informing potential purchasers" that SPS and BNYM were neglecting their duties under the PSAs)). "[W]here a claim for breach of fiduciary duty

is based upon a 'significant component' of the representations that induced plaintiff to invest, the claim arises from the alleged securities fraud and is preempted by the Martin Act." *See Hecht v. Andover Assoc. Mgmt. Corp.*, No. 006100/09, 2010 WL 1254546, *10 (N.Y.Sup. March 12, 2010) (quoting *Heller v. Golden Capital*, 590 F.Supp.2d 603, 612 (S.D.N.Y.2008).) Judged by that standard Sterling's claim for breach of fiduciary duty is clearly barred. However, Sterling requests leave to amend its complaint to remove the allegations concerning its decision to purchase the securities, stating that it used its complaint in *Sterling I* as a template for this case and neglected to delete those allegations. (Pl.'s Reply in Supp. of its Mot. for Leave to File Supp. Authority at 3-4.) As defendants point out, Sterling's allegations about the Prospectus Supplement are surplusage. (*See* Defs.' Mem. at 5 n. 4.) Its claims are instead based upon the PSAs and certain obligations imposed upon indenture trustees by the common law. Those claims are unrelated to "the distribution, exchange, sale and purchase of securities." *Castellano*, 257 F.3d at 190. Provided that Sterling amends its complaint as discussed above, we conclude that the Martin Act does not bar its claim for breach of fiduciary duty.

Defendants also contend that Sterling's complaint fails to allege the existence of a fiduciary duty owed by BNYM. Indenture trustees are held to a different standard than trustees in other contexts. *See Meckel v. Continental Resources*, 758 F.2d 811, 816 (2d Cir.1985). Prior to an event of default the indenture trustee's duties are defined solely respect to the indenture (or in this case, the PSAs), with two exceptions: (1) the trustee must avoid conflicts of interest; [FN6] and (2) the trustee may be liable for failing to perform basic non-discretionary ministerial tasks with due care. *See Elliott*, 838 F.2d at 71 (2d Cir.1988); *Peak Partners*, 191 Fed.Appx. at 122. After an event of default the trustee's duties are more akin to those imposed on traditional trustees. *Peak Partners*, 191 Fed.Appx. at 122 ("It is only after an 'event of default' occurs, as that term is defined in the Indenture, that an Indenture Trustee's duty to noteholders becomes more like that of a traditional trustee."); *see also* (PSA (2002-24) § 9.01). Sterling does not specifically allege any Event of Default, but it contends that its allegations with respect to SPS "implicate" § 8. 01(b):

> FN6. We have already concluded that Sterling's complaint fails to allege a "clear possibility" of a conflict of interest distinct from the BNYM's status as trustee under the PSAs. (*See supra* Part B.)

> ***8** "Event of Default", wherever used herein, and as to each Servicer or the Master Servicer, means any one of the following events ...:
>
> [...]
>
> (b) any failure by the Master Servicer or the Servicer to observe or perform in any material respect any other of the covenants or agreements on the part of the Master Servicer or the Servicer contained in this Agreement (except as set forth in (c) and (g) below) which failure (i) materially affects the rights of the Certificateholders and (ii) shall continue unremedied for a period of 60 days after the date on which written notice of such failure shall have been given to the Master Servicer or the Servicer by the Trust Administrator or the Depositor, or to the Master Servicer or the Servicer and the Trust Administrator by the Holders of Certificates evidencing not less than 25% of the Voting Rights evidenced by the Certificates.

(PSA (2002-24) § 8.01(b).) Sterling has not alleged that SPS's alleged failings remained unremedied for 60 days after it received notice in the manner prescribed by the PSAs. We conclude, then, that Sterling's claim for breach of fiduciary duty cannot be based upon BNYM's post-default duties. *See, e.g., Dresner Co. Profit Sharing Plan v. First Fidelity Bank, N.A., New Jersey*, No. 95 Civ.1924(MBM), 1996 WL 694345, *5 (S.D.N.Y. Dec.4, 1996).

Sterling argues alternatively that Count VII should be construed to allege that BNYM breached its duty to perform ministerial tasks with due care. (Pl.'s Resp. at 20.) Defendants insist that Sterling is simply repackaging its claim for breach of § 4.04 as a tort claim. We conclude that Sterling has alleged distinct claims. Section 4.04 requires BNYM to provide certificateholders with certain information about the mortgage loans. Sterling argues BNYM has an implied duty to perform that ministerial task with due care. That includes the duty, not specifically set forth in the PSAs, "to inquire as to whether the information provided by SPS [about the mortgage loans] is complete." (Pl.'s Resp. at 22.) Construing the complaint liberally, we conclude that Count VII sufficiently

alleges that BNYM breached its duty to perform non-discretionary ministerial tasks with due care.[FN7]

FN7. Whether BNYM's alleged obligation to request information is truly "non-discretionary" is beyond the scope of a motion to dismiss. (*Cf.* Defs.' Reply at n. 11.)

3. Damages

This leaves the question of damages, a necessary element of Sterling's claims for breach of contract and breach of fiduciary duty. *See Robert I. Gluck, M.D., LLC v. Kenneth M. Kamler, M.D., LLC*, 74 A.D.3d 1167, 1167, 904 N.Y.S.2d 151 (N.Y.Supp.2010) (fiduciary duty); *Flomenbaum v. New York University*, 71 A.D.3d 80, 91, 890 N.Y.S.2d 493 (N.Y.Supp.2009) (breach of contract). Defendants contend that Sterling's claims are based on an increased risk that at some point in the future Sterling will not receive payments of principal and interest on the certificates. This is a fair reading of the complaint as currently drafted. Sterling alleges that defendants' actions caused "credit support" to diminish, and that ratings agencies-presumably in response to diminished credit support-revised their assessment of the certificates' default risk. (Compl. ¶¶ 15 n. 4, 21-22.) Sterling then claims that it was "damaged," without alleging that it has failed to receive any payment it is owed as a certificateholder. Rather than meet defendants' argument head-on, Sterling's response suggests alternative ways in which defendants' actions have caused concrete, present injuries. (Pl.'s Resp. at 10-11, 23-24 (citing illiquidity, increased capital reserve requirements, and increased FDIC premiums) .) We believe that defendants' substantive objections to Sterling's arguments stray too far into the merits of Sterling's claims. (*See* Defs.' Reply at 14-15; *see also id.* at n. 12.) For our purposes, it is enough that Sterling's complaint does not mention or even allude to the damages it claims in its response to the defendants' motion to dismiss. *See Thomason v. Nachtrieb*, 888 F.2d 1202, 1205 (7th Cir.1989) ("It is a basic principle that the complaint may not be amended by the briefs in opposition to a motion to dismiss."). Counts V, VI, and VII are dismissed without prejudice for failure to allege non-speculative damages. *See, e.g., Ravenswood Center, LLC v. Federal Deposit Ins. Corp.*, No. 10 C 1064, 2010 WL 2681312, *3 (N.D.Ill. July 6, 2010).

CONCLUSION

***9** Defendants' motion to dismiss (27) is granted and Sterling's complaint is dismissed without prejudice. Sterling is given leave to file an amended complaint by September 17, 2010 that cures the deficiencies we have identified, if it can do so. If Sterling chooses not to file an amended complaint by that date, the case will be dismissed with prejudice.

N.D.Ill.,2010.
Sterling Federal Bank, F.S.B. v. DLJ Mortg. Capital, Inc.
Slip Copy, 2010 WL 3324705 (N.D.Ill.)

END OF DOCUMENT

TAB 9

Slip Copy, 31 Misc.3d 1227(A), 2011 WL 1877620 (N.Y.Sup.), 2011 N.Y. Slip Op. 50864(U)
(Table, Text in WESTLAW), Unreported Disposition
(Cite as: 2011 WL 1877620 (N.Y.Sup.))

NOTE: THIS OPINION WILL NOT APPEAR IN A PRINTED VOLUME. THE DISPOSITION WILL APPEAR IN A REPORTER TABLE.

Supreme Court, Suffolk County, New York.
STEVES & SONS, INC., Plaintiff,
v.
Seth **POTTISH**, Defendant.

No. 39918–10.
May 11, 2011.

Ingerman Smith, L.L.P., Hauppauge, Attorneys for Plaintiff.

Kressel, Rothlein, Walsh & Roth, LLC, Massapequa, Attorneys for Defendant.

ELIZABETH H. EMERSON, J.

***1** Upon the following papers numbered *1–15* read on this motion *for summary judgment in lieu of complaint;* Notice of Motion and supporting papers *1–8;* Notice of Cross Motion and supporting papers; Answering Affidavits and supporting papers *9–11;* Replying Affidavits and supporting papers *12–15;* it is,

ORDERED that this motion by the plaintiff for summary judgment in lieu of complaint is granted; and it is further

ORDERED that the plaintiff is awarded damages in the amount of $130,674.63 with interest from October 21, 2009; and it is further

ORDERED that the plaintiff's application for attorney's fees is referred to a hearing, which shall be held on June 30, 2011, at 2:15 p.m., Supreme Court, Courtroom 7, Arthur M. Cromarty Criminal Court Building, 210 Center Drive, Riverhead, New York 11901.

The plaintiff is a Texas corporation whose principal place of business is in San Antonio, Texas. The defendant, Seth Pottish, is a New York resident and the President of Long Island Wholesalers, Nassau–Suffolk, Inc. (P"Long Island Wholesalers"), a New York corporation whose principal place of business is in Bohemia, New York. The plaintiff manufactured doors that were purchased by Long Island Wholesalers. The record reflects that Long Island Wholesalers purchased doors from plaintiff over a period of several years pursuant to a sales credit agreement dated February 4, 2000. When Long Island Wholesalers became increasingly delinquent in its payments to the plaintiff, the plaintiff agreed to continue to supply it with doors only if Pottish personally guaranteed any future orders. The plaintiff and Pottish, as the President of Long Island Wholesalers, entered into a new credit agreement on November 30, 2007, and Pottish executed a personal guarantee in favor of the plaintiff on December 5, 2007.[FN1] The plaintiff continued to supply Long Island Wholesalers with doors until it again became delinquent in its payments. The plaintiff subsequently commenced an action in Texas against Pottish and Long Island Wholesalers and obtained a default judgment against them. The plaintiff moved in this court for summary judgment in lieu of complaint based on the Texas default judgment. By an order dated September 28, 2010, this court granted the motion against Long Island Wholesalers only, finding that Pottish had not been properly served pursuant to CPLR 308(2). The plaintiff again moves for summary judgment in lieu of complaint against Pottish. Pottish opposes the motion on the ground that the courts of this state should not enforce the Texas judgment against him because the Texas court did not obtain personal jurisdiction over him.

FN1. Also on December 5, 2007, the plaintiff and Pottish, as the President of Long Island Wholesalers, entered into an equipment loan agreement.

The full-faith-and-credit doctrine requires recognition of a foreign judgment as proof of the prior out-of-state litigation and gives it res judicata effect (*Ionescu v. Brancoveanu,* 246 A.D.2d 414, 416). The forum state, in this case New York, can review judgments of sister states only to determine whether the out-of-state court possessed personal jurisdiction over the defendant (*Federal Deposit Ins. Co. v. De Cresenzo,* 207 A.D.2d 823, 823–824; *Augusta Lumber & Supply, Inc. v. Herbert H. Sabbeth Corp.,* 101

A.D.2d 846). In doing so, the forum court must look to the jurisdictional statutes of the state in which the judgment was rendered as well as due process considerations (*Id.*). As long as jurisdiction has been obtained, a defendant's default in the rendering state will not nullify the res judicata effect of the judgment, and the full-faith-and-credit doctrine still applies (*Ionescu v. Brancoveanu, supra* at 416).

***2** Personal jurisdiction requires (1) a constitutional basis to assert jurisdiction and (2) adequate notice to the defendant (*Webpro, Inc. v. Petrou,* U.S. Dist Ct, SDNY, Sept. 25, 2002, McKenna, J., 2002 WL 31132889, at *3). Challenges to personal jurisdiction may be waived by either express or implied consent (*Id.*). In the commercial context, parties frequently stipulate in advance, for business or convenience reasons, to submit their controversies for resolution within a particular jurisdiction (*Id.*). It is well-settled that selection-of-forum clauses afford a sound basis for the exercise of personal jurisdiction over foreign defendants (*National Union Fire Ins. Co. of Pittsburgh, Pa. v. Williams,* 223 A.D.2d 395, 398). Here, the defendant consented to personal jurisdiction in Texas by signing a personal guarantee in which he agreed to submit to the jurisdiction of the Texas courts.

Although once disfavored by the courts, it is now the well-settled policy of the courts of this state to enforce contractual provisions for choice of law and selection of a forum for litigation of a contract (*Id.; see also, Brooke Group v. JCH Syndicate,* 87 N.Y.2d 530, 534). Such clauses are prima facie valid, and they are enforced because they provide certainty and predictability in the resolution of disputes (*Id.*). They are not to be set aside absent a strong showing by the resisting party that they are unreasonable, unjust, in contravention of public policy, invalid due to fraud or overreaching, or that a trial in the selected forum would be so gravely difficult that the opposing party would, for all practical purposes, be deprived of his day in court (*Di Ruocco v. Flamingo Beach Hotel & Casino, Inc.,* 163 A.D.2d 270, 271–272; *Shalam v. KPMG, LLP,* 13 Misc.3d 1205[A], at *6 [and cases cited therein]), *affd* 43AD3d 752.

The defendant argues that the forum-selection clause in this case should be set aside because the personal guarantee signed by him was procured through coercion or economic duress. However, the defendant does not allege facts sufficient to show that the alleged threat made by the plaintiff, to withhold delivery of future orders unless the defendant guaranteed their payment, precluded the exercise of the defendant's free will (*see, Orix Credit Alliance, Inc. v. Hanover,* 182 A.D.2d 419). A mere threat by one party to a contract to breach it by not delivering required items, indeed financial or business pressure of all kinds, even if exerted in the context of unequal bargaining power, does not constitute economic duress (*Id.*) It must also appear that the threatened party could not obtain the goods from another source of supply and that the ordinary remedy of an action for breach of contract would not be adequate (*Id.*). The defendant has made no such showing.

The defendant also argues that the personal guarantee signed by him is void and unenforceable due to an absence of consideration. It is settled law that a guarantee executed in exchange for, and as a condition of, a promise to advance funds to a third party in the future, coupled with an actual advance at a later date, is supported by ample consideration (*see, First American Bank of New York v. Builders Funding Corp.,* 200 A.D.2d 946, 948). The defendant does not allege, nor is there any evidence in the record, that the plaintiff did not extend the promised credit to Long Island Wholesalers. Rather, the record reflects that the plaintiff continued to extend credit to Long Island Wholesalers and to supply it with doors.

***3** In view of the foregoing, the defendant has failed to establish that the forum-selection clause is invalid. Additionally, the defendant has failed to establish that enforcement of the forum-selection clause would be unreasonable, unjust, or contrary to public policy. The court finds that the defendant's conduct and connection with the State of Texas were such that the defendant should have reasonably anticipated that he would have to defend himself in a court of that state (*see, JDC Finance Co. I v. Patton,* 284 A.D.2d 164 [Texas default judgment against a guarantor entitled to full faith and credit where guarantor's only connection with Texas was that he mailed payments there; guaranties were related to a mortgage securing property in New Jersey; the documents were executed in New Jersey; guarantor never went to Texas and carried on no business in Texas]). Accordingly, the court rejects the defendant's contention that the forum-selection clause should be disregarded.

The defendant was served with process in the Texas action pursuant to Texas Civil Practice & Remedies Code § 17.044(b), which designates the Texas Secretary of State as an agent for service of process on nonresidents like the defendant who engage in business in Texas, who do not maintain a regular place of business in Texas or a designated agent for service of process, and whose lawsuit arises out of the nonresident defendant's business in Texas. The record reveals that the plaintiff served the Texas Secretary of State on September 18, 2009. The Secretary of State forwarded the process by certified mail, return receipt requested, to the defendant's home address on September 23, 2009. The return receipt bearing the defendant's signature was received by the Secretary of State on September 28, 2009. The court finds that, under these circumstances, the defendant received adequate notice of the Texas lawsuit and that the Texas court obtained personal jurisdiction over him.

Since this court's review of the Texas judgment is limited to ascertaining whether the Texas court possessed personal jurisdiction over the defendant (*see, Federal Deposit Ins. Co. v. De Cresenzo*, 207 A.D.2d 823, 823–824; *Augusta Lumber & Supply, Inc. v. Herbert H. Sabbeth Corp.*, 101 A.D.2d 846), it is not necessary to reach the defendant's remaining contentions. Accordingly, the motion is granted.

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